BRITISH PROPAGANDA IN ALLIED AND NEUTRAL COUNTRIES.

ADMIRALTY NOTES ON THE USE OF THE PRESS IN THE UNITED STATES OF AMERICA.

For the Purpose of putting before the Public of America the Allied, and more especially the British, Attitude with regard to Actions and Policy of the present War.

PROPAGANDA is either offensive or defensive in policy, and up to the present time offensive propaganda has been left entirely in our enemies' hands with regard to the United States of America, and the agents of these countries have spent, and are spending, fabulous sums of money in an undertaking that is alluded to on all sides as enemy propaganda. The British methods of dealing with this must therefore be alluded to as defensive propaganda. Full details of the present system and organisation are naturally in the hands of the News Department of the Foreign Office, who are and were responsible for the inauguration of Wellington House. Defensive propaganda and the work necessarily attached to it should not be entirely passive. There are times when the action of His Majesty's Government, such as, for example, the publication of the black list, has proved that the system requires expansion and that explanations are necessary early in the movement to avoid the application of German principles to the lever that our action has given them. Points such as these the Germans take full advantage of, and a considerable amount of further explanations and assurances are necessary to alleviate the conditions that have arisen. The interest that the Admiralty have in this defensive propaganda lies in the activity and ability of the Naval Attache in New York. Through active work in New York, the Naval Attaché is looked upon by men in the newspaper profession as the individual in authority to whom they should go for advice and confirmation of reports and rumours. He has among his acquaintances the best men in the journalistic profession in America, and they are willing to do what they can to aid the Allies, provided the matter given out by him is of sufficiently good value to merit space in the columns of the papers. The Naval Attaché is in a position to know exactly those papers that deserve attention and those which can give the best results to attain our ends.

In America the thing that counts to newspaper editors is the news one gets from a man, be he official or otherwise, and if the individual concerned is given the credit for reliable and interesting news, he is considered a valuable man for the paper to cater to. If, on the other hand, he has nothing but routine articles or news that is stale or that has already received notice in the press, he may be dropped and soon deemed of no value.

Under such conditions, editors are apt to be disinterested, and the leverage that is possible in the first instance is useless. On the other hand, if occasionally the individual concerned is able to give the newspapers good value, the reporters will hover about the office and consider it as one of their important news sources in the city. The instances where the Naval Attaché has been in this position have, unfortunately, been few and far between, and, notwithstanding this fact, he has been able to be of immense value to the Government without in any way prejudicing his position. In New York it is looked upon as only natural for the Naval Attaché, with an office in the Consulate, to be the dispenser of news, and it follows as a matter of course that the more valuable news he has the less the Central Powers get into the papers.
The present position of the Naval Attaché entitles him to every consideration as the head of the British defensive propaganda in U.S.A.—with a suitable staff to enable the work to be efficiently carried out. His requirements in this position will be:

(a) A thorough knowledge of the policy adopted in Great Britain.
(b) A continual flow of articles dealing with the work of the Allies, especially the part that Great Britain is playing in the present war. Stories dealing with the human side, and detailed reports of actions and incidents.

By these means he will always have at his control a sufficient accumulation of news, &c., which would enable him to fill spaces in magazines and periodicals that otherwise might be and would be used by the German propaganda agents. With regard to the daily papers and evening papers, incidents and reports of immediate interest would enable him at any time to check any indiscretions and misunderstandings that might be made the subject of bitter comment by the public of America, or be worked up by our enemies.

If the Naval Attaché is in a position to hand out news that is of value, he gains more and more in the esteem of the newspaper profession, and carries a great deal of interest and influence with the leading newspaper men, which would enable him, as it has done before, with the small amount at his disposal, to object to articles which harm the cause of Great Britain and the Allies.

The personal equation in America is everything. It stands to reason, therefore, that the more valuable news that is available, the less the Central Powers can use the press to attain their ends. Last August and months prior to that, the Naval Attaché had little or no news to give out that was really of value. The “Times” and “Herald” men, who were interested in the cause of the Allies, nevertheless visited his office daily, but there was a sad falling off in other newspaper representatives, such as the “Tribune” and “World,” &c. During this period it was extremely difficult for Captain Gaunt to keep the papers concerned from being filled with German propaganda.

In the above few remarks I have dealt purely with press work. Films and photographs, however, are playing a strong part in bringing before the American public our side of this momentous struggle. It has been practically decided by Wellington House that pictures of value shall be forwarded to the Naval Attaché as a further lever and hold on the leading papers. Until quite lately, the Germans have been able to place more and better pictures than the Allies, but this point is receiving the most careful attention of Wellington House, and arrangements are being made that should bear good fruit in the near future. The question of films is under consideration, having been through a phase during which excellent series of moving pictures were sent to the States and arrived there, supervision departed, with the natural consequence, that in some instances, instead of being used to the advantage of our cause, they fell into the hands of German Jews who used them to our disadvantage, or did not use them at all. Moving pictures are of great importance in any propaganda work, and this fact should never be lost sight of, and every care should be taken to see that full value is obtained for films shown in the States.

It is strongly recommended that the Naval Attaché should be in a position to supervise into whose hands these films are given.

With regard to items of naval interest, there is certainly an opportunity to publish considerably more than has been used up to the present time. With the exception of popular articles by Rudyard Kipling and Alfred Noyes dealing with submarine warfare, destroyer work, and certain patrol work, very little has been given on the doings of the Royal Navy, and without in any way suggesting that a policy should be developed with regard to the publication of articles and news that might or might not in any way give information of value to the enemy, it is suggested hereon that a great deal more could be written and used to great advantage on the subject of naval doings.

At the present moment this matter is receiving the careful consideration of the Admiralty, and there is reason to suppose that shortly the above implied deficiencies will be to some extent remedied.

It is absolutely necessary to ensure an efficient defensive propaganda that press work, pictures, and films are worked together as far as is possible.

Admiralty, December 20, 1916.

The News Department of the Foreign Office deals with administration of practically all the defensive propaganda and all detail in connection with this work in the United States of America.

Branches of the News Department are located at 82, Victoria Street (Mr. Mair), and Wellington House (pictures and films, Mr. Masterman).

Articles, &c., dealing with the naval side of the war have been carried out by the News Department in conjunction with the Chief Censor, and special articles have been written by Mr. Rudyard Kipling and Mr. Alfred Noyes on the work of the small craft, whilst from time to time journalists have been given special facilities to visit certain fleets or establishments.

During the past two months Mr. Frederick Mordaunt Hall, especially sent over at the instigation of Captain Gaunt, Naval Attaché, Washington, has been working under the Foreign Office and assisting the Intelligence Division to deal with certain news of naval interest in an American way; and during the past week Staff Paymaster Ricci, R.N., has been appointed to the staff of the Chief Censor for special work.

Mr. Ricci, who writes naval stories under the title of “Bartimus,” should be most useful, and it is hoped that this officer, assisted by Mr. Hall, should be able to write articles that will allay the continual demand for naval writings, and should also be able to deal efficiently with actions and incidents that can be passed for circulation.

One of the many difficulties that have been experienced in bringing naval matters before the public of the United States of America is that incidents and actions have only been dealt with either in too phlegmatic and mechanical a manner by merely issuing an official document or report (whereas if permission could be obtained the “human” side could be given with great advantage to the incident concerned), or are dealt with in a broader manner when this special action is of too ancient a character for use in current channels.

It is a great asset to be able to keep touch with the American press on current affairs without the trouble of many denials of enemy reports before our own story and incidents are written, which always gives the enemy an opportunity for damaging the moral of our statements, and this asset is catered for on this side at the Admiralty by the various representatives of the press associations visiting the Director of the Intelligence Division on Wednesdays at 4:30, during which visit questions of immediate importance are broached and discussed.

Admiralty, December 20, 1916.
SECRET.

BRITISH PROPAGANDA IN ALLIED AND NEUTRAL COUNTRIES.

NOTE BY LORD ROBERT CECIL.

(Previous Paper No. G-101.)

THE accompanying memorandum shows the immense amount of valuable propaganda work done by the News Department and those associated with it.

I venture to add two or three general observations:

1. Official propaganda known to be such is almost useless, except, of course, in the form of State Papers.

2. It is much easier to do harm than good by propaganda. A tactless interview will sweep away results of months of patient work. For instance, Lord Northcliffe's published observations on Spain did much injury, and I am afraid that some of my American interviews have created a good deal of trouble in the United States. Perhaps in each case the eventual result may have been less harmful than the immediate effect would have led one to expect.

3. Much of the writing in the newspapers here has been harmful. Our national habit of self-deprecation is a handicap. Moreover, in many countries we are suspected of arrogance, and the most moderate criticism of foreign countries is, for this and other reasons, bitterly resented. This is specially true in America.

4. Germany and France, too, can do many things in America which would not be tolerated in us. I have discussed our propaganda with many Americans, e.g., Edward Marshall, Simonds of the "Tribune," Moreton Prince, and many others. They have often begun by urging more active propaganda, but when asked for practical suggestions they have nothing to propose except more interviews and a better news service. As to the former, I incline to think that recently we have rather overdone the thing. As to the latter, I will say a word in the next paragraph. One thing is certain: that any attempt to have an organised British propaganda in the United States would be fatal, as all of these men admit. It is doubtful if the Germans have gained by it. We should be simply ruined by any such attempt. I remember very well the disastrous effects of Horace Plunkett's efforts among the American correspondents here, and tremble to think of the mischief he may be doing over there now. In American propaganda the only plan is to do good by stealth.

5. Lastly, in war-time it is the facts that count, not words. All we can do to help by propaganda is to let foreigners know what is actually happening. If the events are discouraging they will be discouraged. No doubt we may also offend people by stupid observations, but we can never explain away disagreeable facts. German propaganda, properly so called, has, in my judgment, been everywhere a complete failure. Their victories have dazzled people, their cruelties have disgusted them; above all, their power and ruthlessness have frightened them sometimes into submission and at others into revolt. But their publications have done no particular good and have often done harm.

R. C.

DURING the early months of the war, propaganda was conducted by three organisations: the News Department of the Foreign Office, Mr. Masterman’s Committee at Wellington House, and the Neutral Press Committee, all of which had come into existence when the war began. There was no appreciable overlapping by these three bodies and they worked in co-operation with each other, but there were manifest advantages in their all being placed under one control, and it was eventually decided that, as propaganda in neutral and allied countries was clearly a matter in which the Foreign Office were best qualified to exercise supervision, this control should be in the hands of the Secretary of State for Foreign Affairs.

The Neutral Press Committee, of which Mr. Mair was secretary, was at a later date entirely merged in the News Department of the Foreign Office, though for convenience some of Mr. Mair’s work is still conducted from his own office, and Mr. Masterman’s organisation at Wellington House works in close co-operation with the News Department, and consults it with regard to any new departures that may be contemplated.

The principal functions of the News Department are: Seeing and supplying information to and obtaining facilities, including the arrangements for trips to the front, &c., for the correspondents of American and other foreign newspapers in London; arranging interviews for them with prominent persons; sending news telegrams and other propaganda material for allied and neutral countries to His Majesty’s Representatives and to unofficial agencies which have been set up in those countries for the distribution of such material.

Mr. Masterman’s organisation at Wellington House produces and distributes literature (pamphlets, &c.) in many languages in allied and neutral countries. The organisation has a special pictorial department which distributes the official and other photographs abroad; it produces weekly, fortnightly, and monthly illustrated papers with text in almost all foreign languages; the exhibition of the official cinematograph films abroad is also under the control of Wellington House. Sir Gilbert Parker has a special department there for the United States; his principal activities consist in sending out literature to and corresponding with a wide circle of influential people in America, and in producing a weekly summary of the American Press. He also co-operates with the News Department in obtaining interviews for the American correspondents. A detailed report of the work of Wellington House is attached, but that work is also dealt with to some extent in the notes contained in this memorandum. These notes have in most cases been prepared by the individual members of the News Department who are charged with the supervision of propaganda in the countries concerned, a fact which accounts for the use of the first person in some of them.

Probably the most important part of the propaganda work is that conducted by means of granting facilities and supplying material to the correspondents of foreign newspapers in London, and this is now done in an increasing degree. In the earlier months of the war the War Office and Admiralty were reluctant to do much in this direction, but we now obtain much assistance from them, the Ministry of Munitions, and other Departments. The whole position as regards visits to the British front in France has greatly changed; for many months no correspondents were allowed there at all, but we have now for a long time past been sending weekly parties of neutral and allied journalists and other foreigners of distinction out to France. These parties have included 28 Americans, 22 French, 16 Italians, 13 Russians, besides Dutch, Swedes, Norwegians, Spaniards, South Americans, Japanese, Greeks, Swiss, and a Chinaman. General Headquarters have also arranged to have permanent correspondents of Allied countries and of the United States. As regards facilities from Government Departments at home, though we do not perhaps get all we want, we get very many, and the principal improvement that would be desirable is that other Departments should initiate suggestions in this direction oftenen when they do; the present position is, as a rule, that the News Department and the correspondents are constantly racking their brains to think of subjects which it will be interesting to work up, whereas the Departments themselves must be in a position to think of many things which come within their sphere which would be of interest abroad and would have a proportionate propagandist value. At the suggestion of the News Department...
officers have been appointed in all the more important Government Departments to whom the News Department applies when it wishes to obtain facilities or information for correspondents.

RUSSIA.

It was decided in December 1915 that more organised efforts for British propaganda in Russia should be made. A Bureau was established at Petrograd, and the work was put into the hands of Mr. Hugh Walpole, Major Thornhill, and Professor Harold Williams.

The work of this Bureau, now called the Anglo-Russian Commission, is summarised by Mr. Walpole as follows:—

The work of the Office has fallen into the following divisions:—

**Press Work.**

Excellent relations with the Russian Press have now been established. It has been found by experience that articles by English writers are, with certain exceptions, to be avoided. The work must be done, wherever possible, by the Russians themselves. To that end several Russian journalists are now attached to our staff. We have, on the advice of a committee of Russian journalists, started the weekly issue:

1. Of an English Bulletin. This is a weekly collection of facts of every sort and kind, made up by the members of the Commission, and sent out to every newspaper in Russia. The disadvantage of sending the same thing to many papers is here overcome, because with such a Bulletin the papers may choose any facts they please, using some and rejecting others. We have reason to believe that this Bulletin is very widely used.

2. We further issue our daily telegrams, sent to us from England especially for publicity purposes.

3. Many articles are written, from information supplied by us, by Russian journalists.

4. We send to many papers series of facts with regard to various subjects, which the papers themselves can make into any form that they prefer.

5. We issue a certain number of articles of especial interest written by Englishmen.

6. We receive great numbers of photographs, maps, &c., from England, which are distributed to the Russian illustrated papers.

**Entertainment.**

This must be regarded as of the very first importance. At present our efforts are confined to weekly luncheons. These luncheons are held in the offices of the Commission, and English and Russians of all kinds are invited to them. They have been a very great success, and, so long as the invitations are issued with care, the results promise to be of real importance.

In Russia more may be done by personal friendliness than by any official proceedings. It is hoped that a number of evening gatherings may also be arranged.

**The News Room.**

This room is the centre of the work of the Commission. All the English papers, monthly, weekly, and daily, are arranged here. There is an English reference library, writing tables, &c. Every kind of question is answered here, and it is hoped that the room may be a permanent centre in Petrograd.

**Correspondence.**

Two secretaries deal with the Russian correspondence, and with the filing of cuttings from the Russian press. Letters are received from every part of Russia, and they are all answered to the best of our ability. Questions are of every kind—social, economic, educational, military, literary, &c.
Work in connection with the new Anglo-Russian Society.

Much work is being done in connection with the new Anglo-Russian Society.

We are in daily touch with Professor Vinogradof, and Dr. Harold Williams and myself are members of the Propaganda Sub-Committee of his society. This Sub-Committee supplies us with Russian help for translating and publishing purposes. We, on our side, supply them with every kind of English information.

Projects in connection with the publishing of English books, the regular issue of English pamphlets, the series of lectures on England throughout Russia, &c., are progressing. "We are working towards these objects in concert.

Military Work.

Major Thornhill has developed a very solid connection with the Russian army press. Captain Garstin is the member of our staff who has this work in hand, and now a regular flow of material—photographs, articles, pamphlets, &c.—goes from the Commission to the front.

Commercial.

With regard to commercial questions, now of the very first importance in all Anglo-Russian affairs, the commercial attacheé of the British Embassy is under the same roof as ourselves. We refer, of course, commercial questions to him; but in certain directions—as, for instance, the development of English advertising in Russian papers—we have, with his consent, formulated certain proposals."

Mr. Walpole comes home at intervals to obtain literary and other material for the use of the Commission.

In order to supplement the supply of British telegraphic news to Russia, an arrangement has been in existence for many months past by which the “Times” supplies daily telegrams, which are paid for from public funds and sent through the News Department to papers in Petrograd, Moscow, Kiev, and Kharkov.

The exhibition of British cinematograph films in Russia has been in charge of Captain Bromhead; he has been most successful in his work, a full description of which will be found in Mr. Masterman’s report.

FRANCE.

The need for propaganda to convince the French that Great Britain is taking her due share in the war has varied from time to time, but things have considerably improved in this respect since the offensive on the Somme. Conditions in France are not suitable for the establishment of a British Bureau similar to that at Petrograd, but much has been done by the distribution of literature and by the insertion of articles, through the British section of the Maison de la Presse, in the press of Paris and the Provinces. A great deal of propaganda has also been done by means of inviting distinguished French writers to England and to the British Front to see and write about things for themselves; in this matter special attention has been paid to the French provincial press. A great deal of propaganda has also been done by means of inviting distinguished French writers to England and to the British Front to see and write about things for themselves; in this matter special attention has been paid to the French provincial press. A need has long been felt for a better service of British telegraphic news to France, and especially to the provincial press, and arrangements are now being made for the supply through Reuter’s of a free service of this sort. Suggestions have been made for the establishment of a special news agency in Paris for this purpose, but the weight of opinion is in favour of making use of and developing existing agencies.

ITALY.

Much distribution of useful literature in Italy has been done by persons working under the general supervision of His Majesty’s Ambassador. As regards the daily press, a good deal has been done by granting facilities to the Italian correspondents in London, and by arranging visits to the Front for them and for others specially invited from Italy; but unfortunately there are very few resident Italian correspondents in London, and some of those who have been here were not much use. A special Reuter service of telegrams, paid for by His Majesty’s Government, is sent to Italy and well reproduced there.

Much useful work, supported by His Majesty’s Government, has been done in Italy by two Belgians, MM. Lorand and Destrees; the latter is still working for us
there. His most useful achievement has been the production of a book on England’s effort, which has been widely distributed, and for which very full materials were supplied by Wellington House.

We have also an independent agent, Mr. Hutton, working as a private individual in Tuscany and Northern Italy.

JAPAN.

The propaganda work undertaken by His Majesty’s Embassy in Japan has been entrusted to Mr. Robertson Scott, an experienced English journalist who has established relations with the Japanese press and has published several articles in different newspapers. A large number of articles and other materials (e.g., extracts from captured documents) have been supplied to Mr. Robertson Scott for this purpose by the News Department. He has also brought out a book in Japanese. Thanks to the generous and patriotic action of a well-known British resident in Japan it has been found possible to proceed with a scheme for starting an Anglo-Japanese magazine, of which Mr. Robertson Scott is to be editor and manager. An influential committee has been formed in London to assist and advise in the preparation and publication of the magazine.

The weekly summaries of military news supplied by the War Office are telegraphed to Tokyo and are much appreciated by the Japanese public. Reuter’s Agency supplies a selected service of 8,000 words a month, retransmitted from Shanghai, and it is considered that so far as Japanese consumption is concerned this service is adequate.

Wellington House has prepared an illustrated paper, entitled “Senji Gaho,” with captions in Japanese and English, on the lines of the Chinese “Cheng Pao,” which will be issued fortnightly and distributed in Japan through the agency of a committee especially formed for that purpose by His Majesty’s Ambassador at Tokyo.

ROUMANIA.

Until the evacuation of Bucharest daily telegrams were sent to Bucharest, and distributed from an agency established for the purpose there. A special Reuter service was also supplied. Two or three important publications have been produced in Roumanian, such as an edition of Raemaekers’ Cartoons and the Report on the Wittenberg Camp; and arrangements have lately been made with a Roumanian journalist resident in England to send through the Legation articles in the language of the country for the Roumanian press; special facilities have been obtained for him from the War Office and elsewhere.

Articles have been sent direct to certain Roumanian papers from Mr. Mair’s office since an early date in the war.

UNITED STATES.

Judicious propaganda is probably more necessary in the United States than in any other country, and it is in that country that the matter has to be handled with the greatest care.

The most important channel used by the News Department and those who work in conjunction with it for influencing American public opinion has been found to be the distribution of a large supply of healthy news. In America more than any other country this is the most efficacious means of countering the German propagandists’ intrigues.

The Middle West.

At an early date in the war the importance of the Middle West, as an area needing special attention, was fully realised.

In some ways it is true that the Middle West is less pro-Ally than the Eastern States or even those bordering on the Pacific. It would perhaps be more accurate to say that, owing to remoteness, it is indifferent rather than antipathic to the Allied cause.

The Great States of the Middle West contain a large German and Irish population. The Germans in many of the towns have been long settled, and are much respected. As a mass they probably avoided the excesses of Count Bernstorff’s henchmen, who formed only the minority of German Americans. The presence of this saner German population seemed to give the lie to much of what the Middle Westerner read about the German atrocities in Europe.
The Irish were either irreconcilable or largely under the influence of a seminarist priesthood, and even those who were not formed a very poor channel for conveying satisfactory views of the British cause or British aspirations to the Middle Westerner. Besides the Germans and the Irish there were large Scandinavian colonies and some Slav. Torn as these were by internecine feuds, they were united in resenting, the only Allied action with which they really came into touch, the holding up of the mails from Scandinavia and Central Europe.

The remoteness of the Middle West and its lack of touch with more important quarters are no new things. Americans will speak of its lack of touch with Washington, and will instance the pitiful scenes which accompanied the mobilisation of the Militia in some of the Middle Western States.

Historians record how, except for the German element, there was great and apparently irremovable indifference manifested by the Middle States to the issues of the American Civil War.

Undoubtedly the magazine is one of the best means of catering for the Middle Westerner. The "Saturday Evening Post," "Every Man's Magazine," the "Century," the "Outlook," and others are to be found in almost every verandah in these Middle Western streets, and we have concentrated on just the sort of article which the Middle Westerner enjoys—that is to say, the semi-scientific, semi-philosophic article about the war and all that has arisen from it.

As far as daily papers are concerned, we are much handicapped by the fact that there is a lack of Middle Western correspondents in London. We have endeavoured to remedy this, but so far without success, at any rate as far as the daily newspapers and daily news are concerned. As far as articles without actual news value are concerned, much good work is done by many of the important syndicates, like that managed by Mr. Curtis Browne.

Two Chicago papers whose articles have a large circulation in the Middle West, in their own columns or those of other papers—the "Chicago Daily News" and the "Chicago Daily Tribune"—we have been able to help in many ways. The latter, a somewhat pro-German organ, has printed a good deal from its able correspondent, Mr. Philip Patchin, while one or two of its itinerant correspondents, especially a certain Mrs. Warren, have written good articles of a healthy nature. It will be remembered that an interview with Lord Grey of Fallodon, probably one of the most important interviews of the war, was given to the "Chicago Daily News," and in the columns of this paper, which is very friendly to our cause, articles provided by their London correspondents, often with the assistance of the News Department, are matters of an almost daily occurrence.

Other papers which we have been able to help in this manner might be mentioned. Possibly the "Kansas City Star" is the most important. We are investigating the very difficult question of getting in touch with that influential but pro-German organ, The "Cincinnati Enquirer." The staff of this paper treats with special circumspection, and it is in matters like this that we have to rely upon the assistance of Captain Gaunt.

It should be remembered also that the great news agencies—the Associated and the United Press—serve hundreds of papers of the Middle West. One interview of Sir Maurice de Bunsen was given to the United Press, and, as an experiment, I asked to see in how many of the smaller papers it was produced. Mr. Keen, the London manager, sent me sixty papers—and then I asked him to stop. Many of these were small papers of one sheet, published in country towns of which the names are scarcely known in England; but if this is typical of the usual distribution, and I have no reason to suppose that it is not, it is very satisfactory.

When an interview is given to one of the New York papers, a point is always made by the News Department and by Sir Gilbert Parker of insisting upon its syndication in the Middle West. Thus, it may seem foolish at first sight to give an interview with Admiral de Chair upon the blockade to the "Brooklyn Eagle," an evening paper in New York, but that particular interview was reproduced in twenty-five other papers, largely because we had made an agreement with Mr. Suydam to syndicate it widely. Again, an interview with Lord French on the Belgian deportations, which was given to the "Chicago Daily News," was reproduced in papers in each of the following towns: New York, Cincinnati, Providence, Montreal, Philadelphia, Denver, Toronto, St. Paul, Kansas City, Vancouver, and twenty-four other cities of Canada and the United States—a distribution which one must consider satisfactory. Finally, Captain Gaunt assures us that the best means of reaching even wider publicity in the Middle West is to spread our net from New York onwards.
One further instrument of publicity should be mentioned. It will be remembered that about eight months ago a big Allied bazaar was held in New York. It was called a bazaar, but might be better termed an exhibition of military and naval objects of interest and war relics. The French display was magnificent, and they took some $200,000 in entrance fees. Our own was less good, but largely through the instrumentality of Captain Thwaites and the kindness of the Admiralty, War Office, India Office, and other public Departments, we have entirely turned the scale in Boston. I heard last week from Captain Thwaites that they had had 40,000 persons in one day in Boston, that they had exhibitions of Zeppelin relics, guns, war gear, &c, and had dug trenches in a neighbouring plot of land. He hoped that a very large sum would be realised in the ten days that it would be open in that city.

About the middle of January the bazaar will be moved to Chicago, thence to St. Louis, and thence to Minneapolis, and there is little doubt that it will have great influence in stimulating pro-Ally enthusiasm and in explaining the Allied achievements, more especially as a series of lectures by Captain Ian Hay Beith have been arranged in connection with it.

Supply of News.

So far as the News Department is concerned our constructive efforts in this direction take two forms. In the first place, we have the censoring of American messages very largely in our hands as an advisory body to the Press Bureau, although the Foreign Office has no technical censorship any longer. This is an instrument of value: as all cable messages from the Central Powers to the United States pass through London, where almost all the American papers have their European managers, we can observe the German falsehoods as they come red-hot from Germany and can prepare answers to them which in cases of importance the London correspondents of the American papers will frequently carry with the original message. Again, the friendliness which we have encountered at the hands of the American press representatives forms a fund upon which we can draw in the case of awkward or undesirable telegrams which the correspondents in London propose to send. We can almost always get such telegrams modified and not infrequently stopped altogether with their consent. Of course this has to be done with care.

In the way of providing actual news we have been able to do a good deal by our influence with the other Government Departments. Naturally enough these Departments have their attention directed more to the matter which concerns them than the shifting currents of opinion in neutral countries. To give an instance, we were able to impress upon the Irish and War Offices that it was essential that London correspondents of the American papers should be sent to Dublin when the rebellion broke out, and the consent and help of these Offices were productive of excellent results. Again, we discovered that the treatment of the conscientious objectors was a sore point in certain pacifist circles in the United States, and we were able to approach the War Office with a view to obtaining reassuring information. We are at present studying the publicity aspect of the action of the Federal Reserve Board in consultation with the Treasury, and this is typical of the co-operation between our Department and other Offices through a continued series of journalistic situations in America for the last two years. It might astonish some outside observers if they knew how much we had succeeded in stopping that might have been disadvantageous to us in the press of the United States; if, for example, they knew how we stopped the execution of Roger Casement being taken up in every paper of the United States, or if they understood how a lid was put upon discussion in the New York press of the appointment of M. Stümer to office, to give two instances only. The outside world knows only when we are unsuccessful or only partially successful.

By far the largest section of the news that reaches America does not of course emanate from the brain of the News Department but from that of the American correspondents. They are constantly thinking of points upon which they want information, and it has been the News Department's work to see that this information is provided. The American Administration admits the representatives of papers to far closer confidence than does ours. An American journalist observed laughingly to me "if I want to know something about foreign affairs from the State Department I walk into Lansing's room and ask him." Owing to the kindness of prominent English officials we have to some extent reproduced this open condition of things. Once a week the American correspondents are seen by Lord Robert Cecil who answers any questions that they care to put to him upon matters of foreign affairs or the blockade.
Lord Derby has been giving them similar interviews every fortnight on politico-military affairs. General Maurice sees them every Thursday at the War Office and talks to them with a more than American frankness on technical military matters. When I was in the United States last month I saw the enormous effect which these talks of General Maurice could produce. He would often be quoted in the next column to some German assertion in order to give it the lie. At the Admiralty, Captain Hall, the Director of the Intelligence Division, gives a similar interview once a week, and every day at 5 o'clock a member of the News Department sees the Americans and answers any questions on the routine work of our foreign politics and even other matters. These meetings are largely attended, and every day there is some point which has to be looked up or made clear. One of the American correspondents confessed that what with these weekly interviews, and those which they have with Mr. Page and Mr. Skinner, he thought their time pretty well filled up.

The Provision of Facilities.

It is not only a matter of answering questions. Having a news sense that delights in the concrete, the American journalists in London have an insatiable appetite for seeing incidents and institutions. Sometimes it is an interview with a Cabinet Minister on the shipping question, sometimes an interview with a banker on the financial position, sometimes it is permission to see a submarine, sometimes to take a flight in an aeroplane, sometimes a visit to a training-camp, or a prison for Irish rebels, or a munition factory, or a hospital, or facilities to see American mail censored, or a seat in the House of Commons during an important debate, or a talk with the head of the Department of the War Office which deals with decorations. I could go on with almost any number of instances, for every day has something, and during one month alone the News Department provided fifty facilities of this kind for the resident American pressmen in London.

All the above, it will be seen, refers to the representatives of the American papers of New York and of other cities, of which there are about thirty, in London. There is a good deal which it is difficult to formulate on paper, for these correspondents are extremely important to us, and they have constantly to be nursed and humoured. For example, it is not of course the routine work already described which gives the greatest bother. The moments during which most anxiety was felt lest there might be an unpleasant change in the nature of news sent across were moments when, for some reason or other they thought that they had been slighted. Two occasions occur to me. The first occurred when a most indiscreet article appeared in "Land and Water" describing a visit of an American journalist to headquarters in France, and how he had shown the white feather when in the firing-line. The incident did have some truth about it, though it was unknown to the author of the article and as far as he was concerned, the incident was imaginary. Somewhat naturally the American correspondents, who, to do them justice, have always shown courage at the front, were exceedingly angry, and for a week were ominously sulky and difficult to deal with.

The second occasion was when articles of Mr. Curtin began to appear in the British press. Rightly or wrongly they felt that he had betrayed the interests of American journalism in procuring a false passport and abusing the hospitality of the country to which he was accredited. Considering the very high sense of journalistic honour which the American correspondents have always displayed, and which has been of use to us on more than one occasion, our personal sympathy was wholly with them. Undoubtedly it did far more to upset the American press than any other recent incident. The American Luncheon Club was broken up by resignations because the Committee had entertained Mr. Curtin, and when I discussed the whole matter with the head of the Associated Press in New York on the 24th November I found him very sore about it. There is a need therefore to get the American journalists in good temper, and I am not sure that this is not one of the most important bits of work that the News Department has to do.

Important as the resident correspondents are, we cannot rest content in dealing with them alone. New York is the hub of United States journalism to a greater extent than is sometimes imagined, and the greater papers are distributing centres to the lesser papers dotted about in other parts of the United States, and especially in that very important area, the Middle West; but at the same time we have need of an organisation in New York, to which we can send special stories for distribution to papers who have no correspondents in London, and deserve a pat on the back or
a piece of favouritism in return for some local service to the British cause. The man
upon the spot is Captain Gaunt, the naval attaché, and to him we frequently cable
out a special piece of information. For example, the day that Mr. Lloyd George's
new Cabinet was announced, we sent rapidly a number of anecdotes of a trivial but
sensational description illustrating alike the iron will and domestic benevolence of
the new Ministers. The London correspondents would not have "carried" these, but
out there they were greedily snapped up and certain papers were put under obligation to
Captain Gaunt, while the new Cabinet was made a greater reality to American public
opinion. Every week some material goes out accompanied by small items of interest,
like pieces of captured Zeppelin or rubber concealed in a husk of coffee berries. The
Admiralty sends out a number of stories of the fleet; these, except by saying that they
are always of an interesting nature, need not be described. Our organisation for sending
out to Captain Gaunt, on the spot, information and articles of this kind is increasing
every day, and I daresay that it will soon reach very large proportions. When I
returned from America I reported that I thought it essential that all the general super­
vision of our propagandist interests on the spot should be concentrated in the hands
of Captain Gaunt, who would, of course, delegate specific functions to his subordinates,
view which was, I believe, accepted by the Admiralty and the News Department.
I need hardly point out that many questions with which we are in conflict with
America are naval or blockade questions, and that, therefore, the close collaboration
between the Admiralty and Foreign Office is the more desirable, particularly because
Captain Hall, Sir Douglas Brownrigg, and Commander Walcott have found a means of
working in the nearest and most friendly fashion with the News Department.
A weekly letter of comment upon the general, political, social, business, and
journalistic events is sent by the News Department to Captain Gaunt. The use to
which he puts it is best expressed in his own words:

"I assure you your letters are most valuable. For instance, your letter
arrived at 11 o'clock this morning. I lunched in a private room with fourteen
men, seven of whom have a tongue that works at both ends, and I'll bet you
wouldn't recognise your letter now, as extracts are gravely repeated on the
Cotton Exchange, Stock Exchange, and places where men of this city gather
together."

There are other bodies with whom our contact is close. I need only instance the
Belgian propaganda body under M. Davignon; while much quiet useful work is done
through individuals with bodies like the Scandinavians, Poles, or Roman Catholics in
the United States of America.

American Journalists in England.

Quite apart from the representatives of the daily American papers, there is large
and increasing body of itinerant Americans passing through Great Britain. As a rule
these write not so much for the daily papers as the monthly, and the matter that they
require is not so much sensational as matter that requires more prolonged study.
We have tried to deal with these persons, and we are perfecting our machinery for
getting into touch with them. They are very jealous of their independence, and my
feeling is that to set up anything in the nature of a French Maison de la Presse
would be unfortunate, since it would be taken as indicative of a desire to influence
their opinions in a way desired by the British Government. I may give a few
instances of concern with the kind of persons with whom we have had to deal, and the kind
of subjects which they wish to study. Mr. Freeman has written articles in the
other prominent magazines, and his articles have been reproduced under the author's
name, or anonymously in English papers like "Land and Water," the "Cornhill," &c.
He has treated such subjects as "What each of the Allies thinks of the others," the
"Future Relations of England and America," "England in the Far East," the "German
Colonies in English Hands," and so forth and so on. Mr. Arthur Gleason, a well­
known writer, has had an interview with the Prime Minister, has written articles on the
change that has come over female labour since the war, has discussed the future of Trade
Unions, and is now on a visit to Ireland. Mr. Hard, like Mr. Gleason, writes for most
of the well-known magazines of standing in the United States, and has had opportuni­
ties of seeing the training of English naval officers, has studied the work done by
the Welfare Department of the Ministry of Munitions, has been to the Fleet, and
inspected naval repair stations. These are only three instances of many. Perhaps this

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side of our work needs most strengthening at present. The Americans, especially those in the Middle West, are great magazine readers, and take their opinions very largely from magazines. They see amongst them the German community, on the whole, a body of respectable and unfrightful persons. They hear deplorable stories of, let us say, the maltreatment of the conscientious objectors, and they are apt to think that the Germans after all are not the Huns they have been painted, and that the English are not true democrats.

One of the ways in which we have been handicapped in the News Department is by the fact that it is very difficult to find out exactly what is going on, and more often than not there are subjects lying to hand which we never hear of, because those responsible for them hide their activities under a bushel. For example, I understand, there is a department taking form for the purpose of drafting the men with the colours into civil life when the war is over. If only the people responsible for that would say to us, "Send along one of your journalists who has the power to write and is an intelligent man with some knowledge of social economy. We will make a friend of him, keep him more or less permanently in touch with this office, explain the problem that lies before us, and how intimately it is connected with the future of democracy, take him along with us in our efforts to solve the problem, from time to time let him produce an article here an article there, explaining to the Americans what we are doing." If only Departments would do this we could be sure that the magazine readers of America, who spread from coast to coast, would know that the future of democracy in England was not desperate, and that our civil servants were very much alive. I remember talking with one of the most intelligent American reporters, to whom it was a revelation that we have a great active all-embracing bureaucracy in England. He said that the American people had no idea of this and was still only interested in debates in Parliament which was the only thing the American press used to "carry." Here is the key to the difficulty. The Government Offices have a tradition of silence and Parliament has not. It is this tradition of silence only very slowing breaking down that forms the chief difficulty with which the News Department has to contend.

Beside the journalists there are numbers of visitors from America to England. If they are of any importance we always try to get into touch with them, send them to the front or the fleet, and on their return to America keep in touch with them by private correspondence. Let me give an instance of what was done under this heading by the News Department last week. Members of the News Department wrote private letters to A, a Professor of Economics in the University of California, enclosing financial statistics for which he had asked for the purpose of reading a paper before one of the big economic societies of America; to B, the head of a big association of veterans of the Civil War, a man who travels from one end of the union to the other, meeting the local branches of his society; to C, the leader writing sub-editor of the "Philadelphia Public Ledger"; to D, a New York practitioner, the physician of Pierpont Morgan, a man who is constantly moving about in a New York fashionable set; to E, a former correspondent of the United Press in London, lately at San Antonio in Texas; to F, a correspondent of the Associated Press, who is touring round India and sending articles home for publication in America. These were all written by various members of the News Department, and took the form of private letters written from a private address giving news about the military and political situation of a kind that the recipients would probably pass on. In many cases they were answers to specific questions. The News Department has a stream of about one every day passing out in this fashion to what is now a large and increasing number of persons.

It may be well to take a recent event and explain its treatment by the News Department. As soon as the news of the Belgian deportations was received in England the Belgian Propaganda Committee and the News Department evolved together a plan of campaign which opened with an interview given by Lord Egbert Cecil to the Associated Press. This was reproduced in a vast number of United States newspapers, and made a good beginning. M. Carton de Wiart, at the suggestion of M. Davignon, cabled privately to prominent persons in New York adjuring them not to let the matter rest. As a result a protest meeting was organised in New York City, and, owing to the adroit management of Captain Gaunt, not only Mr. Root attended, but the General Commanding the Eastern Department (General Leonard Wood), who was accompanied by his staff. The significance of this can be appreciated if the growing political influence exerted by General Wood in recent times is realised.
Each day the correspondents were supplied with detailed stories both by M. Davignon and the News Department. The "Chicago Daily News," a paper of considerable influence in the Middle West, made a particular feature of these stories, and ran special articles for four days.

The aim has been to back up those Americans on the spot who were following up the New York Meeting of Protest with others. We have tried to provide at intervals important utterances on the subject of the deportations calculated to attract notice, accompanying these with a continuous stream of small stories each day. Of the former a statement by Lord Bryce was the first. An interview with Lord French has since followed, and we have in train another interview with Mr. Appleton, representing the labour aspect.

Wellington House.

The activities of Wellington House are well illustrated by their full and interesting report. It will be, perhaps, best if I quote a passage from my private report on my return from America. It may seem that there is some criticism in it, but it is the criticism of some one who never, till he went to the United States, realised the wonderful work that was being done by this distribution. Sir Gilbert Parker's correspondence with prominent Americans and his résumé of the American press is always invaluable.

"I must not forget to mention that I heard many complimentary references to the work of Sir Gilbert Parker. Most of the prominent men I met seemed to be on his distribution list. I gathered that if he could extend the number of recipients in the south, west, and middle west, it would be desirable. One friend of mine, who travelled about the country, said he found comparatively few persons reached in the interior. He also said that Sir Gilbert need not be afraid of sending simple narrative pamphlets. One, 'From Dartmouth to the Dardanelles' (or some such title), a simple description of the career of a midshipman, had had a wonderful success in this, and he was still being asked for copies. He quite agreed that it was best to concentrate chiefly on argumentative literature, bluebooks, white papers, and the like, because these were never seen by the average American, but the inclusion of a simple narrative from time to time would do good. Often a friendly Congress man would hand his pamphlet over to his local newspaper, which would be only too glad to insert extracts from it. I was astonished to find how familiar Sir Gilbert Parker's distribution was. At a dinner of twenty persons gathered together by chance in Philadelphia the five people nearest me were all upon Sir Gilbert Parker's list."

Finally, we may mention the presence of lecturers whom we have encouraged in America. Among these are Dr. Rand of Harvard, Captain Beith (Ian Hay), and Mr. Alfred Noyes. Mr. Noyes, who is Professor of English at Princeton University, has for some months past been working in London with the News Department as his headquarters. He has been given facilities for writing articles on military, naval, and other matters of interest, and the material that he has produced has been of great value in America and also in other neutral countries. He is about to return to America, where he is to undertake an extended lecture tour. It has been our policy to encourage lecturers when there seems reasonable excuse for their presence in America, but to discourage the mere hack lecturer who is taking on the work for money making or self-advertising or obviously propagandist reasons. It is probably not an over-statement to say that 75 per cent. of those who would like to go and lecture in America would do more harm than good.

SPAIN.

Mr. J. Walter, of the "Times," has been in Madrid, with occasional visits to the provinces, for many months past, and conducts a kind of unofficial Press Bureau for the Foreign Office. He distributes (1) telegraphic news, (2) newspaper articles, (3) photographs for reproduction in newspapers and for exhibition.

Two cables a day are sent from Mr. Mair's office, containing news and appropriate comment from the Allied point of view. Mr. Walter distributes them to about half a dozen of the most important Madrid newspapers not under German control or influence, and to two Bilbao papers. (The wireless message from Carnarvon is also primarily meant for Spain. It is not circulated through Mr. Walter, but is taken up
by the Spanish Compañía de Telegrafía sin Hilos and given out to subscribers, along
with the German messages from Nauen. Subscribers are not allowed to take the
German wireless, or ours, alone.)

Mr. Walter receives a large number of articles, written in Spanish, from
Mr. Mair's office, and a few in English—which he has translated locally—from the
News Department. These are not much printed in the Madrid papers (though they
occasionally appear there), but they are very widely reproduced in the provincial
newspapers all over Spain, down to the obscurest country towns.

Illustrated papers in Spain are popular and successful. The photographs
which we send to Mr. Walter appear with great frequency—even in some papers
(e.g., the “A.B.C.” and the “Nación”) which are either, like the former, pro-German
in tendency, or, like the latter, definitely under German control. There are also shops
in Madrid, Barcelona, and elsewhere which admit a perpetual and constantly renewed
exhibition of the British official photographs.

The Spanish press is poor: paper is dear, and the newspapers are almost sold
at a halfpenny. We help several with money subventions—usually nominally as
payment for advertisement space (which we hardly ever use). This is an unpleasant
but necessary form of propaganda in Spain.

We distribute pamphlets and the illustrated Spanish newspaper “América
Latina” very widely—sometimes by post (the distribution of “América Latina” is
chiefly so effected), sometimes through pro-Ally committees in various towns, largely
through consuls and steamship lines. In the same way picture postcards and
occasional illustrated journals are sent. We have an almost complete list of the
barbers’ shops throughout the country, which are kept supplied with much propagandist
material. We occasionally send Spanish pro-Ally books to clubs in all parts of Spain.

The subsidiary races of Spain are not neglected, and we make occasional publi­
cations in Catalan and Basque.

The photographs, books, pamphlets, and illustrated papers are produced by
Mr. Masterman’s committee at Wellington House.

Spanish journalists in England are sent to the British front and given other
facilities with some frequency, and write excellent articles on their experiences for
the newspapers of which they are correspondents.

SOUTH AND CENTRAL AMERICA.

Propaganda is conducted on principles generally similar to that in Spain, but
differing a good deal in detail.

Telegraphic propaganda is mostly effected by a subsidised Reuter service to
Buenos Aires, whence it is distributed to Brazil, Uruguay, and Chile. The South
American papers are always anxious for material, and all, except those actually
under German control, will print very nearly everything that is sent them by cable.
A similar service on a smaller scale has lately been started for Central America
and Mexico, with distributing centre at Panama. We also send a weekly cable—
meant primarily for the obscurer places—containing a summary of the British
military news, with a few items of general interest, for the previous week.

Spanish articles are widely sent out from Mr. Mair’s office, and gladly and freely
printed in the press over a great part of the continent. We also send a good many
articles in English: in most of the capitals the Ministers have a little local
committee, which arranges for the translation of such articles and their insertion in
newspapers.

Photographs are now sent in fortnightly packets to most South American
countries; to some, where the press is poor and cannot afford the cost of reproduc­
tion, the actual blocks are sent, ready for immediate printing.

Illustrated newspapers are very successful: “América Latina” in Spanish
America and “O Espelho” in Brazil.

Pamphlets are widely circulated through Ministers, Consuls, and steamship lines.
The appetite of Brazil for these is insatiable; in quite small places the consul can
often take two or three thousand, and finds a brisk demand for them all.

I am glad to say that we subsidise no newspaper in the continent.

Propaganda in South America is not nearly so necessary as in some other
countries, feeling either being quite strongly for the Allies (as in Brazil), or at any
rate not hostile. There is still work to be done in Central America, where the
German trade hold is strong.
Englishmen locally resident do a great work in South America: the British and pro-Ally committees work hard and successfully.

HOLLAND.

There is a very large service of British telegraphic news through Reuter's, at Government expense, to Holland, and this is very fully published in the Dutch press, and a considerable amount of news is also sent by Reuter's by mail. Dutch translations of articles from the British press are circulated daily to all Dutch papers in towns and provinces, free of cost. There is a very large distribution of literature in Dutch, produced by Wellington House, through various channels. Numerous official war photographs are distributed and exhibited in public places, while commercial firms are assisted in the production of pictorial advertisements depicting scenes with the British armies, &c. The London correspondents of Dutch newspapers are given assistance and guidance, and facilities are procured for them in many directions. A Bureau has been established in Rotterdam under the control of His Majesty's consul-general, which exerices a general supervision over these and other propagandist activities.

Propaganda in the Netherlands East Indies may be divided into two sections: Propaganda among the Dutch there resident, and propaganda among the natives of the islands and the immigrant Arabs and Malays.

Much the same lines are followed as in Holland, but to a considerably less extent, for the Colonial Dutch have primarily only a local interest in the war and are on the whole very well disposed to the Allies, knowing that their problem in Java is much the same as ours in India. A certain amount of general propagandist material in English and in Dutch is sent to Mr. Beckett at Batavia, who is almost always able to get it into two or three of the most reputable local Dutch papers. He is also able to distribute a very large quantity of pamphlets and illustrated journals in Dutch. The delicate question when dealing with the Netherlands Indies is always Japan and her alleged designs of extension in that direction. The native population of the Netherlands East Indies is almost entirely Mahommedan, and some mention of the work done among them is made in another section of this memorandum. Our single attempt to circulate material in Javanese is temporarily in abeyance owing to the fact that the Dutch colonial authorities have stopped the import of the Javanese translation of the Moshi document; they have made it clear that they do not welcome too active a propaganda among their Moslem subjects. Mr. Beckett is also able to distribute a certain number of illustrated newspapers with text in Oriental languages.

SCANDINAVIA.

SWEDEN.

The greater part of the British propaganda in Sweden is conducted through the Stockholm Bureau, a Franco-British institution, under the joint control of French and English agents respectively. The business manager is a Swede, Lundberg by name, who is also a partner of the publishing firm of Olzon and Lundberg, which specialises in pro-Entente books and pamphlets. The Bureau sends out domestic and foreign news to Swedish newspapers, and distributes advertisements. From the London end, daily cables, containing the official reports, news both general and of a propagandist character, and commercial intelligence, are despatched from Mr. Mair's office in Victoria Street. In addition, two or three propagandist articles and a London letter are sent out weekly from the same office.

Public Opinion.

Sympathy in Sweden is fairly equally divided between the two belligerent parties. From a political point of view, the Conservatives are, generally speaking, pro-German, and the Liberals and Socialists pro-Entente. Of the Conservatives the "Activists," influential as they are, only form a minority. The majority is pro-German in sympathy, but carefully watches which way the cat is likely to jump. This leads to a rise and fall of the Activist influence and numbers, in accordance with the military situation at the moment.

At the present time, for instance, there is sure to be a certain recrudescence of
pro-German influence and agitation owing to the Roumanian disaster. On the whole, it may be definitely stated that Sweden is not now pro-German, that if a referendum of the population were taken there would be a pro-Entente majority, and that the Activist element, which in 1915 seriously threatened to drag Sweden into the war on the German side, has very considerably lost in power and influence. The whole trend of movement of public opinion has been towards the Entente for months past, ever since it was borne in on Swedish opinion that Germany might lose the war.

Newspapers.

The Stockholm Conservative papers are all pro-German. One Liberal paper (Stockholms Tidningen) reputed to be closely connected with the Government, is strictly neutral, while the other great Liberal paper (Dagens Nyheter) and the Socialist paper (Hjalmar Branting's organ) are distinctly pro-Entente, the latter very markedly so.

Norway.

We have for some weeks past had an agent in Christiania, and it is hoped that he will soon be able to build up a Bureau on the same, though more modest, lines than the Stockholm Bureau. In addition to this, arrangements are being made to supply the Norwegian Telegram Bureau in Christiania with daily wires.

Public Opinion.

The overwhelming mass of the Norwegian people is strongly pro-Entente, but their intense enthusiasm for England, so apparent at the beginning of the war, has been considerably damped by the inconvenience necessarily caused by some of our blockade measures. Still they love us, despite the fact that some of their illusions are gone. There are a few "intellectuals" who are pro-German, but they hardly count in the mass. The unsatisfactory feature in Norwegian public opinion is the Socialist attitude; for the Socialists are total disarmament and peace-at-any-price folk, who, rather than run the risk of war, would make the greatest concessions to Germany.

Newspapers.

Of the Christiania papers, Morgenbladet and Verdens Gang are the only ones which occasionally show an anti-Entente bias. The official Government organ, Intelligensseiler, is strictly neutral, while practically all the other papers are distinctly pro-Entente. All, however, pride themselves on their neutral attitude.

Denmark.

In Denmark we have up to now no agent, and if we had one his task would be a peculiar one, for there are few to convert—they are practically all in full sympathy with the Entente. It needs, however, more than propaganda work to dispel the fear of Germany, which lies heavy on the whole of Denmark.

Public Opinion.

This is, of course, strongly anti-German. Only among the Socialists is the pro-German element to be found, and then only among the party leaders. The Danish working-man is not pro-German.

Newspapers.

Of the Copenhagen papers, the Social Demokraten, which represents the views of the Socialist party leaders, is consequently pro-German. All the other papers are either neutral with a pro-Entente bias, or frankly pro-Ally, except the Radical Politiken, which, while professing neutrality, has many a stab at the Entente. This paper is one of the best edited, and has as good a foreign news service as any in Scandinavia.

Switzerland.

A pro-Entente distributing agency has been established at Berne, to which daily messages are sent by telephone via Paris. There is also a special Reuter service of telegrams.
A large supply of press articles are sent to an experienced journalist working in connection with His Majesty's Legation, who has special opportunities of securing their publication in the press of both German and French Switzerland, and these articles seldom fail to appear. Articles are also inserted in the Swiss press through other channels.

There is undoubtedly a great change for the good in the attitude of German-Switzerland and the German-Swiss press towards the Allied cause: French-Switzerland has always been almost exaggerately pro-Ally as a whole.

Greece.

The principal centre of British propaganda in Greece has been a small Press Bureau in connection with the Legation under the charge of Mr. Gerald Talbot. News telegrams have been sent twice a day to the Legation since the early days of the war, and Mr. Talbot, at any rate until the recent disturbances in Athens, has had a great measure of success in placing them in the friendly newspapers, as well as various articles which have been sent him to be translated locally. He has also supervised the production at Athens of about twenty pamphlets, mostly translations, made on the spot, of English pamphlets produced at Wellington House. A wide distribution is also made, both in Greece and among Greek Colonies abroad, of a weekly illustrated pro-Ally journal, the "Hesperia."

China.

In the early stages of the war the efforts of His Majesty's Legation in China were directed principally to placing before the more enlightened and educated classes in China translations of available literature showing the origin of the war and the justice of Great Britain's cause. Chinese translations were accordingly made and widely distributed, with the assistance of His Majesty's consular officers, to all officials, Chambers of Commerce, and notables throughout the country, of the following pamphlets:

- The White Book on the European Crisis: "Why we are at war with Turkey";
- "The Scrap of Paper, the German Chancellor's statement and Sir Edward Grey's reply";
- "The Memorandum on the first three months of the War";
- "The American Verdict of the War";
- and a pamphlet in Chinese, prepared by Messrs. Brunner, Mond, and Co., of Shanghai, and distributed in all the Provinces with the help of His Majesty's consuls.

Apart from the above documents in the vernacular, a great number of pamphlets in English were also given a wide circulation.

Subsequently, in order to combat the increasing propagandist activities of our enemies in China, and the broadcast dissemination of mendacious reports by the German consuls and agents, it was found advisable to create a central body to co-ordinate British efforts in China in regard to the distribution of pamphlets and news, and to reach and interest a much larger audience. With this object in view a "War Propaganda Committee" has been instituted at Shanghai under the chairmanship of His Majesty's consul in that port and subject to the general supervision of His Majesty's consul-general, which, by availing itself of the services and organisation of the Christian Literature Society, a missionary body with widespread ramifications throughout the interior, is to undertake the entire work of translating and distributing pamphlets and other suitable literature among the Chinese. The subject matter for this propaganda will be supplied periodically to the Shanghai Committee by Wellington House, which is also publishing fortnightly a very effective illustrated paper in Chinese, entitled "Cheng Pao," 50,000 copies of which are distributed by the Committee, and a large number through private channels. The Governor of Hong Kong and the Commissioner of Wei-hai-Wei also distribute a large number of this paper in the districts under their control. His Majesty's Government are assisting the Shanghai War Propaganda Committee by a generous monthly subsidy. Arrangements are also being made, with the assistance of some of the leading British firms at Shanghai having agents in the interior, for the development of a form of commercial war propaganda which it is hoped will further our trade interests and at the same time keep British efforts and superiority in the war before the Chinese by means of advertisements, posters, and almanacs, in which use is made of military photographs and other material supplied from this country.

As regards the dissemination of news, Reuter's Agency supply a full service of 32,000 words monthly to Shanghai, which is reproduced in English newspapers.
published in that port. Reduced services are transmitted to Peking and Tien-tsin and other of the more important Treaty Ports, and arrangements exist for the translation of the most interesting portions of this service into Chinese and its circulation to the Chinese newspapers. In places where the English community is not large enough to collect sufficient subscriptions towards the Reuter service, His Majesty's consular officers have been authorised to supply the deficiency at the public expense.

PROPAGANDA AND COUNTER-PROPAGANDA AMONG MOSLEM PEOPLES.

Moslem peoples within the sphere of the Foreign Office are mostly in Egypt and the Soudan, Persia, Java, North Africa, and various places of less importance, such as Loanda, some inland parts of Liberia, and Madagascar. There are also Moslem colonies in various places in South and Central America.

Attempts are made to counteract enemy propaganda among Mohammedans, especially the seditions Indian propaganda which emanates chiefly from the United States and Switzerland, by the stoppage of the distribution of pamphlets and newspapers through the post and otherwise. The French and Italian Governments have prohibited the circulation of such matter in their respective possessions. The Italian Government, at the suggestion of His Majesty's Government, have requested the Government of the United States not to include it in United States mails to Italy (i.e., to carry out their undertaking under the Rome Postal Convention of 1906), and a request has been made to the French Government to do the same. The Siamese Government have already made the same request as that of the Italian Government to the United States; in this case the latter refused. Representations have constantly been made to the United States to put a stop to the issue of the "Ghadr," &c, hitherto without success. A joint representation from the British and French Governments to the Swiss Government to prevent the postal circulation of such matter is now under consideration.

The Foreign Office, in conjunction with the India Office, circulates as widely as possible a propagandist newspaper, "El Hakikat," with text in Arabic, Persian, Turkish, and Hindustani. Similar periodicals have lately been started, one with text in Chinese, which will be useful for Kansu and Chinese Turkestan; and a second with text in four Indian languages, which will be useful, as far as this Department is concerned, for Indian colonies in neutral countries. Similar work is being done with other publications in Arabic, such as for example the Moshi document (the latter has been circulated in all languages spoken by Moslems, including Chinese and Javanese); the Shereef’s proclamation; a Map of the World at War, with Arabic text; an edition of Remakkers’ Cartoons, with explanatory text in Arabic; and an Arabic translation of Dr. Ray Barbosa’s famous speech at Buenos Aires; and there has previously been a distribution of two Arabic pamphlets; Cook’s “Great Britain and Turkey,” and another entitled “The Violation of Belgian Neutrality.” Wide circulation has also been given to the true story of the deposition of the late Sheikh-ul-Islam and to the manifesto of Bosnian Mohammedan students in Switzerland.

This Department also regards the previously mentioned places as the proper recipients of occasional telegraphic news, and such messages are sent when events happen of particular interest to Moslems—for example, the success of the Shereef and the discovery of the Moshi document. The authorities in Egypt have been asked to telegraph direct to the consul-general at Batavia any important news of this nature.

As regards North Africa, an arrangement has been made with the British authorities in Egypt to send copies of loyal Arabic newspapers to Tripoli, Algiers, Tunis, and Tangier. (At Algiers, Tunis, and in the French zone of Morocco, His Majesty’s representatives are always instructed to obtain the previous consent of the French before any publication or distribution, and the same procedure applies to some extent in Madagascar.) Some photographic picture blocks are now beginning to be sent to Tangier for publication in the local press.

A certain amount of material of Moslem interest is sent to Rio de Janeiro and to Buenos Aires. At the former place the British consul-general is able to obtain the insertion of a considerable quantity of such matter in local Syrian and Arabic newspapers; to good effect, for there are 20,000 Arabs in and near that place. At Buenos Aires the number of Orientals is also large, and a vigorous propaganda is there conducted by the Emir Emin Arslan, formerly Turkish consul-general, who now works openly in favour of the Allies.
SUMMARY OF TELEGRAPHIC PROPAGANDA.

It may be well to summarise the news telegrams sent from, or under the auspices of, the Foreign Office:—

Wireless messages covering all the news of the day are sent daily, one from Carnarvon and one from Poldhu.
Two telegrams are sent daily to Mr. Walter, at Madrid.
Three to the Bureau at Stockholm.
Two to the Legation at Athens.
Two to the Legation in Roumania.
Two to the “National Tidende,” Copenhagen.

Telegrams go three or four times a week, as the need arises, to the Embassy at Petrograd, for distribution by the Bureau there, and a daily telegram from the “Times,” as stated above, goes to newspapers in in Petrograd, and three other towns in Russia. The “Morning Post” supply similar telegrams to go to certain neutral countries.

A weekly war summary of all fronts and a weekly summary of general news go to a large number of countries.

These are all, of course, in addition to an extensive service of news telegraphed by Reuter’s for the Government, and are intended chiefly to supplement the Reuter service in countries where, for various reasons, experience has shown that that service does not cover all the ground.

This Memorandum, prepared at short notice, does not pretend to be entirely exhaustive, or to cover every individual propagandist activity undertaken by or under the auspices of the News Department of the Foreign Office: there are necessarily many isolated pieces of propaganda arranged by the Foreign Office which cannot all be included in any general statement,—such, for instance, as the visit to Spain by arrangement with the News Department of Mgr. Deploge, Professor at Louvain, who no doubt did much to improve the state of feeling in clerical circles in Spain, and who was the promoter of the address to Belgium from Spanish Catholics; or the reproduction and sale all over the world by Mr. Selfridge of the “Lusitania” medal, which should serve as a lasting reminder of German methods,—but the Memorandum will, it is hoped, suffice to give a general idea of the propaganda work that is being done. A hankering after an institution on the lines of the Maison de la Presse in Paris has from time to time manifested itself in some quarters, but I am convinced, after an experience dating from the early days of the war, that the general control of propaganda in Allied and neutral countries should continue to rest with the Foreign Office, and that the headquarters should be at the Foreign Office itself, as they are now. It is that Office which is concerned with most of the current questions, about which the foreign, and especially the American correspondents, want daily information, and it is necessary that the officials whose duty it is to see the correspondents should keep in constant touch, under the same roof, with the Departments of the Foreign Office which deal with the subjects of their enquiries, in order to supply them with information with the promptitude that is essential in these matters. The correspondents, and especially the Americans, will come much more freely to the Foreign Office, which is the natural place for them to seek information and facilities from, than they will to an office known to be established for propaganda purposes. Moreover, it would be quite unworkable to have our various organisations in foreign countries independent of the Embassies and Legations, which would necessarily be the case if they were under the control of a separate authority in London.

The part which the Admiralty, the War Office, and other Government Departments can best play in propaganda matters is to supply the News Department of the Foreign Office for propaganda purposes with as much news and material concerning the matters which come within their respective provinces, and as many facilities for foreign correspondents, as is possible consistently with the public interest.

Foreign Office,
December 20, 1916.
NOTE BY THE GENERAL STAFF ON THE ORGANIZATION OF PROPAGANDA.

(Previous Papers Nos. G-101 and G-102.)

1. The Propaganda Section of the General Staff was reorganized in February, 1916. Its functions were to produce information of all kinds connected with the war which might be serviceable as propaganda or as material for propaganda. It also took over the examination of propagandist material produced by the Germans. With this object in view the following arrangements were made:

1. A staff of voluntary writers was got together, consisting of officers serving in this country and of civilians.
2. An officer was employed to obtain from official sources matter dealing with the British effort from every point of view, and to write this up in a form which, after censorship, might be publishable.
3. Arrangements were made with General Headquarters, British Expeditionary Force, Cairo, and Mesopotamia, and with the G.Q.G., France, for the supply of propaganda material.

2. The examination of German propagandist material was organised as follows:

1. Examination of the Press.
2. Examination of German propagandist literature.
3. Examination of German cablegrams intercepted on British wires and the German wireless messages.

The object of this examination is to analyse the German propaganda, to ascertain its aims, and thus to provide writers (among whom are included those who produce telegraphic material) with subjects and material for counter-propaganda.

3. Recently, steps have been taken to secure the services of competent foreign writers able to translate propagandist articles into good literary language acceptable for publication in the Foreign Press.

4. Such, then, are the means at the disposal of the General Staff for the production of material. They are by no means inconsiderable, even at present, but they are capable of almost unlimited extension at no expense, since the services of practically all journalists and men of letters under 41 are now at the disposal of the War Office. Many of these, owing to wounds or ill-health, are only fit for light duty, and they are only too ready to lend their pens for propagandist purposes.

5. The difficulty which has been experienced by the General Staff in the preparation of material, has been in obtaining definite information of the causes which favour the Allies or their enemies in different countries, and of the channels into which local public opinion should be led. In addition to this they feel that their efforts could have been more usefully employed if they could have been kept in more regular touch with the fluctuations of public opinion abroad, and if more information could have been supplied to them of the effect of the material produced by them, and of the methods, working and success of the German propagandist agents in foreign countries.

When the reorganization took place in the spring of this year, it was laid down that the function of the General Staff was to supply material for military propaganda. Its distribution abroad and the policy (other than military) governing its supply was the function of the Foreign Office.
The General Staff readily recognize the assistance which has been rendered to them by the latter department and by Wellington House, who have furnished them with all the information which lay at their disposal, and it is far from their desire to lay any blame on those or any other departments. The conduct of British propaganda has, however, been impugned from many sides, and it would appear necessary to lay a finger on the root of the disorder, which would seem to lie in the fact that no machinery provided by any existing public department is adequate to deal with this question.

As has already been observed, the General Staff have failed to procure the definite information and guidance which appears to them essential for the proper preparation of material, but from such information as has reached them, they cannot help thinking that a considerable improvement might be effected in our propaganda campaign by a thorough reorganization of its conduct. They are strengthened in this view by the last report received from Wellington House, which, in the sections dealing with America, Sweden and Holland in particular, shows that the opposing influences continue to be remarkably powerful, and but little ground is given for belief that the sentiment displayed in favour of England has increased.

The great fault of our propaganda system seems to be the lack of connection between:

(a.) Sources of information as to the nature of propaganda required.
(b.) The producing agencies; and
(c.) The distributing agencies.

If these three branches could be brought under one control, very considerable improvement could be effected.

6. It is proposed in the first place that recourse should again be had to the suggestion put forward by Sir B. Brade at the Conference held at the Home Office on 26th January, 1916, to the effect that a separate establishment ought to be set up under a responsible head, to which the various departments could be closely allied, and on which they should be represented through an Advisory Committee, set up for the purpose of considering questions of policy.

If such a Propaganda Office were formed, it is proposed that an officer should be appointed as Director, and provided with the necessary staff.

7. The Director should not be responsible for the policy of propaganda, which should be regulated by the departments concerned through the Advisory Committee, but his duties should be—

(a.) To keep in touch, through his own agents and by every other means, with the state of opinion in foreign countries, to watch the activities of German propaganda, to study opportunities for British propaganda and to determine the best methods for carrying it out.

Note.—It would be largely on this information that the Committee would decide the policy of the propaganda in each country.

(b.) The control of the distribution of all propaganda abroad

Note.—It is thought that the Propaganda Service should—while making full use of existing agents—establish, where necessary, its own agents. In the first place, the Diplomatic and Consular Services are already so busy that they have no time to devote to an efficient propaganda campaign. Moreover, the work of a good propaganda agent is of a rather equivocal description, and there are aspects of it which are hardly compatible with the dignity of His Majesty's Agents abroad, and which, therefore, they cannot carry out satisfactorily.

Again, the employment of regular Secret Service agents has its disadvantage. Propaganda is open work, as a rule, and the work of Secret Service agents is not. A Secret Service agent who combined propaganda with his other activities is likely to compromise himself, and this would impair his efficiency in both connections. Therefore, it is better to have separate agents for propaganda, who, however, should be in communication with consulates and missions, and, therefore, able to communicate in cipher with London.

(c.) Suggestions for the preparation of material for propaganda purposes.

Note.—The General Staff have a large staff engaged in this work. It would be necessary to retain a number of them for the preparation of material based on information supplied only by the General Staff. Some could conceivably be released, but it would probably be more advisable, since they are officers, to keep in touch with them through the War Office.
(d.) The translation of articles into foreign languages. The Director could arrange this either through—

(a.) His agents abroad, or
(b.) At home.

Note.—It would be a question to decide which procedure is most desirable. In the case of (a), the Director should make the necessary arrangements through his agents. In the case of (b), it would probably be best, at first at any rate, to utilise the General Staff translation section. This must in any case be maintained for military purposes unconnected with propaganda.

(c.) Visits, interviews, special facilities, &c., of Press and other representatives, whether British or foreign.

Note.—There are only a limited number of these, arrangements for which can be made by the War Office and the Admiralty.

It should be the business of the Director to select and submit to the Committee the names of those from whom most advantage can be obtained by according facilities, and these facilities can then be obtained by the Departments concerned.

(f.) Foreign News Services.

Note.—The arrangements with these agencies should be in the hands of the Director; the news should be supplied by the departments concerned, being collected and collated by the Propaganda Office.

(g.) Examination of German propagandist material.

Note.—At present this is conducted mainly by the General Staff; probably, at any rate at present, it had better remain there, but the Director should be in touch with the various War Office sections concerned and should assist them in their work by information as to the Propaganda Office's necessities.

8. The personality of the Director is a matter vital to the success of the scheme. He must possess tact and imagination and a wide acquaintance with foreign countries. He should be a man of position, but at the same time not of such high official rank as would make him unlikely to brook the control of the Committee, nor should he be a serving official of one of the Government Departments.

9. To be efficient the Advisory Committee should be small, since rapidity of action is as essential in propaganda as in other work connected with the war. Probably the best thing would be to have four regular members—the Chairman and representatives of the Foreign Office, War Office, and Admiralty. The members should not be merely telephones between the Propaganda Office and their own department, but responsible officers, capable of giving decisions and able to give a coherent judgment as to the policy of propaganda as a whole, and not only as regards their separate departments. Representatives of other departments, such as the Ministry of Munitions, Ministry of Blockade, Board of Trade, India Office, and Colonial Office, who are directly concerned in propaganda, should attend and be consulted when matters touching their departments arise.

The Committee should meet frequently and should be instructed to do everything in their power to secure co-ordination in all branches of propaganda.

The Director would not be a member of the Committee, but would attend all its meetings and be responsible for carrying out the policy laid down.

10. It would be necessary to exercise considerable care in the selection of a Chairman, who should not be a member of any Government Department mainly concerned in propaganda. The Chairman should, if possible, be a member of His Majesty's Government other than an Under Secretary.

11. It would be necessary that the Propaganda Office should be attached to a Government Department in order that one of the Ministers might be responsible to Parliament.

GENERAL STAFF,
23rd December, 1916.
NOTE ON THE POSITION WITH REGARD TO THE REQUIREMENTS OF COAL FOR FRANCE BY THE PRESIDENT OF THE BOARD OF TRADE.

THE French Government have sent M. Herriot, the new Minister of Transportation, to London to make the most urgent representations to the British Government on the subject of the want of coal in France, more especially for the munition factories. M. Herriot has stated that the urgency is so great that unless increased quantities of coal can be despatched to France immediately certain of these munition factories will have to close down. The quantities of coal exported from this country to France during the last four months have been gradually decreasing, as the following figures will show:

<table>
<thead>
<tr>
<th>Month</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 1916</td>
<td>1,850,000</td>
</tr>
<tr>
<td>October</td>
<td>1,430,000</td>
</tr>
<tr>
<td>November</td>
<td>1,510,000</td>
</tr>
<tr>
<td>December</td>
<td>1,450,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,653,000</strong></td>
</tr>
</tbody>
</table>

The monthly quantities of coal required in France as for the past year have been stated to be 2,000,000 tons, consequently the above figures show that at the present moment there is a shortage of 1,350,000 tons on the last four months.

The main reasons for the falling off in the exports of coal to France are:

(a.) The necessary action of the Admiralty in delaying the departure of ships from British ports due to the presence of German submarines. It is understood that negotiations are at the present moment being carried on between the British and French Admiralties with a view to reducing as far as possible the necessity for this detention.

(b.) The reduction of the number of neutral vessels ordinarily employed in the French coal service.

M. Herriot has seen the Chancellor of the Exchequer and the Shipping Controller, who, it is understood, explained to him that without the sanction of the Cabinet it would be impossible to allocate any further British tonnage to the French coal service. M. Herriot was informed that a further drastic reduction of imports would have to be made in the case of the United Kingdom owing to shortage of tonnage, and that a scheme was now being worked out. He asked to be supplied with full information as soon as the scheme was settled, and promised that France would act on similar lines.

With regard to neutral tonnage a scheme has been under the consideration of the Board of Trade and of the Departments of the French and Italian Governments concerned for the control and chartering of all neutral vessels available, which will ensure their employment in the services in which they are most needed. The necessity of putting this scheme into operation with the least possible delay was urged upon M. Herriot, who agreed that so far as the French Government is concerned the necessary arrangements will be made in order to enable the scheme to come into force by the 12th instant. In this connection M. Herriot has been informed by the President of the Board of Trade that, so far as can be seen, it might be possible, at any rate for the first month, to allocate to the French Government 50 per cent. of the neutral tonnage obtained on time-charter.
With a view to relieving the immediate situation, it has been arranged that a number of vessels which have been held up in British ports, owing to their having been chartered at rates in excess of those fixed under the Limitation of Freight Scheme, shall be released for the service of the French Government, who will allocate them at their own discretion. It is estimated, however, that this measure will provide France with not more than from 100,000 to 120,000 tons, and consequently further assistance is urgently required. In these circumstances it is for the Cabinet to decide whether the Admiralty should consider the possibility of diverting coal cargoes to French ports in order to relieve the immediate situation.

M. Herriot explained that the French authorities were taking, and would take, every possible measure to prevent their ports being congested. One of the measures was the development of their inland water transport, but there was a scarcity of river tugs, and he asked that the Admiralty would allow them to purchase some river tugs in this country.

Board of Trade, January 6, 1917.

A. H. STANLEY.
RESTRICTION OF IMPORTS.

PRELIMINARY REPORT OF A COMMITTEE APPOINTED BY THE WAR CABINET TO CONSIDER AND REPORT ON THE QUESTION OF THE RESTRICTION OF IMPORTS.

I PRESENT to the Prime Minister and to the War Cabinet a preliminary report of the proceedings of the Committee appointed by them on the 21st December, 1916 (War Cabinet 13-12), "to consider and report on the question of the restriction of imports."

The Committee held their first meeting on the 4th January, and started their work with a review of the attempts made during 1916 in the direction of restricting imports.

1. In February last the Shipping Control Committee suggested a reduction of over 13,000,000 tons as compared with the previous year. The Board of Trade replied that reduction to this extent was impracticable, but they hoped to prohibit to the extent of 4,000,000 tons per annum. Later the Board of Trade modified this figure to something over 2,000,000 tons, and finally Mr. Runciman recently announced that the prohibition was, in fact, between 1,500,000 tons and 1,800,000 tons per annum.

2. The Committee had before them a number of papers dealing with the subject, including two memoranda by the Board of Trade, dated the 1st and 2nd January, 1917, showing the difficulties of prohibition resulting from our relations with foreign countries and the Empire.

A survey of the facts contained in these papers showed us that it is necessary to re-examine the whole case ab initio, and to determine what departmental machinery, if any, should be set up to carry into effect a real restriction of imports on a large scale.

3. It at once became clear that there were two main questions to be decided, namely:
   
   (a.) The total amount of imports to be restricted.
   (b.) The nature of the articles to be restricted.

(a.) The Amount of Imports to be Restricted.

In considering this question, the determining factor is the supply of shipping available. Just as there has been, and continues to be, a shrinkage in merchant tonnage, so, in the same degree, there must be a reduction in imports. This restriction has so far been unscientific in character, and, unless imports are brought into closer relation with tonnage, before long the situation, both as regards shipping and the supply of necessary commodities, will be one of acute crisis.

Thanks to Sir Norman Hill, who has made a close study of the subject and submitted valuable statistics showing the decrease in tonnage referred to in the report of the meeting on the 4th January (Appendix I), the Committee have been able to obtain an estimate of the amount of shipping available during the present year.

It is estimated by Sir Norman Hill that, during this year, there will be a decrease of 10 per cent. in British tonnage and 25 per cent. in neutral tonnage, owing to submarine losses and other causes mentioned in Appendix I.

This shrinkage, translated into tons, means about 500,000 tons per month, or, say, 6,000,000 tons per year.

While the Board of Trade do not like to pledge themselves to the accuracy of these figures, at the same time they concur in the view that steps must be taken at once towards a substantial reduction in imports.
We have, therefore, decided that two alternative programmes should be drawn up: one showing a restriction of imports to the amount of 250,000 tons per month, the other showing a restriction rising to 500,000 tons a month.

4. Having now arrived at a basis upon which to start the work of restriction, we proceed to the next question.

(b.) The Nature of the Articles to be Restricted.

At our first meeting some discussion took place as to whether we should ourselves determine what articles are to be allowed in and what shut out.

It was felt, however, that the members of the Committee are too much occupied with other matters to sit de die in diem hearing the evidence of representatives of the various trades and Government Departments.

5. It was therefore decided at our second meeting, of which a report is shown in Appendix II, to appoint an Interdepartmental Committee composed of officials of the different Departments who, by their expert knowledge, are well equipped to conduct the necessary examination.

We have issued instructions to them as to the nature of their work (shown in Appendix II). They will have daily sessions for a fortnight, and at the end of that time they will report to us upon the result of their labours. When we have received and considered their report, we propose to address the War Cabinet again on this subject.

6. There remains one point to which the Committee desire most earnestly to draw the attention of the War Cabinet, namely, the importance of compensating for the decrease in imports by developing to a corresponding degree the resources of this country. In the report of our proceedings (Appendix I) it will be seen that the President of the Board of Trade, the Minister of Munitions, and the Financial Secretary to the Treasury, each from the point of view of his own Department, referred to this most important question.

The Committee are well aware of the many and great difficulties of developing home resources at this time, but they feel that whatever can be done towards the increase of supplies and manufactures in this country will mitigate to some extent the very serious blow to trade that must be the outcome of a restriction of imports carried out on the scale which is now necessary.

January 9, 1917.

(Initialled) C. of K.

APPENDIX I

The First Meeting of the Interdepartmental Committee on Restriction of Imports, held at the Privy Council Office on Thursday, January 4, at 3:30 P.M.

Present:

Lord Curzon.
Dr. Addison.
Sir Albert Stanley.
Sir Joseph Maclay.
Sir Maurice de Bunsen.
Sir Norman Hill.
Mr. S. H. Lever.

This Committee was appointed by the War Cabinet on the 21st December, 1916, "to consider and report on the question of the restriction of imports."

1. Lord Curzon gave an account of what had been done during 1916 in the direction of restricting imports. He referred to the proposals made by the Shipping Control Committee, and pointed out the very small degree to which restriction had actually taken place. The Shipping Control Committee had suggested a reduction of...
over 13,000,000 tons as compared with the previous year. The Board of Trade had said that reduction to this extent was impracticable, but they hoped to prohibit to the extent of 4,000,000 tons per annum. Later the Board of Trade had modified this figure to something over 2,000,000 tons, and finally Mr. Runciman had recently announced that the prohibition was, in fact, between 1,600,000 tons and 1,800,000 tons per annum. The papers on this subject, which were before the Committee, were:

1. Letter from the Shipping Control Committee to the President of the Board of Trade, dated the 10th February, 1916.
2. Letter from the Shipping Control Committee to the Prime Minister, dated the 19th March, 1916.
3. Memorandum by the Board of Trade, pointing out objections and difficulties, 4th April, 1916.
4. India Office Memorandum, 27th December, 1916, containing suggestions as to (a) carriage by neutral ships, and (b) stoppage of re-export trade.
5. Memorandum by the Board of Trade, 1st January, 1917, pointing out difficulties of prohibitions resulting from our relations with foreign countries and the Empire.
6. Memorandum by the Board of Trade on Restrictions of Imports, 2nd January, 1917.

A review of the facts contained in these papers shows that it is necessary to re-examine the whole case ab initio, and to determine what departmental machinery, if any, should be set up to carry into effect a real restriction of imports on a large scale.

Sir Albert Stanley said that at present imports had not been brought into relation with tonnage, and the result of this could only mean that before long there will be a shortage of necessary things. The actual needs of the country had not been considered, and restriction so far had not been scientific in character. The question is how are we to reconcile the actual needs with the amount of available shipping. The machinery for dealing with the subject at present is totally inadequate. Sir Albert Stanley said that it is vital that we should see how far we can develop the resources of this country, as, for instance, in the supply of metals. He pointed out that in the matter of motor-cars there had been no real restriction. Pleasure cars were brought in in 1916 upon the representation that there was a need for private cars. The mere fact that the United States is an open market in which anyone can buy, gives reason to suppose that we are buying there and not developing the resources of our own country as we should do. It must be remembered, however, that this question of developing our own resources is primarily one of man-power.

Sir Norman Hill submitted a memorandum on shipping tonnage and prohibition or restriction, together with some "physical" statistics showing to what extent shrinkage in tonnage had already taken place, and to what extent he estimated a further decrease due to submarine losses and other causes. He estimates during the year a further decrease of 10 per cent. in British tonnage and 25 per cent. in neutral tonnage, both of which estimates may be regarded as low.

The following are some of the causes affecting the decrease in carrying power:

(a) Deviation of vessels to avoid danger zones, e.g., the distance from Gibraltar to London is 1,818 miles; recently one of Lord Inchcape's ships from Gibraltar to London made a voyage of 2,550 miles.
(b) The inefficiency of the crews, owing to the fact that the ports have been swept of efficient seamen. A 17-knot Cunarder on a recent voyage made 17 knots through the danger zone, showing that her engines were all right, but during the rest of the voyage she averaged only 13 knots.
(c) Bunkering and rate-fixing experiments have chased neutrals from this country to safer and more lucrative trades. It is only natural that a neutral vessel should prefer to trade between North and South America rather than between Great Britain and Italy.

Sir Norman Hill estimates the shrinkage of tonnage at about 500,000 tons per month, or, say, 6,000,000 tons less than last year.

Dr. Addison, speaking for the Ministry of Munitions, said that he was quite sure that something drastic must be done and without delay. He gave figures showing the shortage of his supplies of lead and steel, and how he was 300,000 tons short.
a month short of iron ore. At the moment the Ministry of Munitions are faced with the fresh problem of importations of raw material instead of the manufactured articles.

Dr. Addison submitted two suggestions:

1. That Government Departments should help the Shipping Controller by appointing in each Department a Shipping Priority Committee, which should report once a month to the Shipping Controller, emphasizing the urgency of their particular needs.

2. That each of the Departments concerned should contribute to an Interdepartmental Committee, composed of representatives of the Ministry of Munitions, the Admiralty, the War Office, the Treasury, and the Board of Trade, who should settle amongst themselves, as far as possible, their competing claims.

The wish for some such Interdepartmental Committee as that suggested by Dr. Addison has also been expressed by the Admiralty and the War Office.

5. Sir Norman Hill pointed out that a decision ought at once to be made as to what we must have in the way of food to keep the country going, and that the country should at once be put on a sound basis of rations. He suggested:

1. That vessels should be requisitioned for all Government cargoes of wheat, meat, and munitions.

2. That there should be a big and strong list of articles which ought not to be allowed to come in.

3. That there should be a further list of articles which should take their chance for space in vessels. He thought that under a system of absolute prohibition, as suggested by the Shipping Control Committee in February last, there might be a tendency to lose space in vessels.

The question of timber was also discussed. It was reported that there are twelve ships in the port of London waiting to discharge while timber is blocking the quays. Yet we continue to import 300,000 tons of sawn timber per month.

6. Mr. Lever explained the position from the Treasury point of view, and emphasized the advantages which would be gained if, for instance, wheat could be obtained from Russia, and if we could use more rice. The exports from the United States to this country amounted to something like 2,500,000 tons per annum of steel alone. We ought to make every effort to replace as much of that as possible with home ore. This question of home supplies had previously been referred to by Sir Albert Stanley, and Dr. Addison pointed out that the difficulty in the way was one of labour.

7. With reference to the position of the Foreign Office with regard to our Allies and neutrals, Sir Maurice de Bunsen said it was clear from the statements which had been made that we must explain to French, Italians, and Japanese the true facts of the case. The Foreign Office would support the Committee in seeing these restrictions carried into operation. Some discussion took place as to whether this Committee could do the work of giving effect to the restriction of imports on the lines suggested, or appoint another Interdepartmental Committee, such as that suggested by Dr. Addison, to deal with the matter.

8. It was decided, in the first instance, that Sir Norman Hill's memorandum—invoking, as it did, such a colossal undertaking, which would attack and destroy for the time being many vital industries—should be carefully considered by members of this Committee, who would bring their views on the matter to the next Committee meeting on Monday, the 8th January, at 3 P.M.

2, Whitehall Gardens, S.W.,

January 4, 1917.
APPENDIX II.

Meeting of the Restriction of Imports Committee, held at the Privy Council Office on Monday, January 8, at 3 p.m.

Present:
Lord Curzon.
Dr. Addison.
Sir Albert Stanley.
Sir Joseph Maclay.
Sir Maurice de Bunsen.
Sir Norman Hill.
Mr. S. H. Lever.

Lord Curzon referred to the previous meeting of the Committee, at which the question as to what body should determine the nature of imports to be restricted was left undecided. Lord Curzon suggested:

1. That an Interdepartmental Committee, composed of officials of the different Departments concerned, should be appointed to consider what articles are to be restricted.
2. That the Committee should sit daily for a given time.
3. That the Interdepartmental Committee should report at the end of the period fixed to this Committee, who will in turn report to the War Cabinet.

By this means two objects will be gained: in the first place, the Committee appointed by the War Cabinet will retain the authority of deciding the total amount of imports to be restricted, and, in the second place, the detailed work of examining the list of different articles will be performed by officials of experience and knowledge of the subject.

Sir Albert Stanley said that he was in complete accord with Lord Curzon's suggestion. He added that, in his opinion, the chairman of the Interdepartmental Committee should be an independent man, not a permanent official. He suggested that the period for the work of examination should be a fortnight. He further suggested that immediate action might be taken in regard to cotton and timber.

The Committee concurred in the suggestions of both Lord Curzon and Sir Albert Stanley.

It was agreed that the President of the Board of Trade should ask Sir H. Babington Smith to act as chairman of the Interdepartmental Committee, which should be composed of representatives of the Admiralty, War Office, Ministry of Munitions, Treasury, Board of Trade, Foreign Office, India Office, and the Colonial Office, and Sir Norman Hill.

After some discussion it was decided that the following instructions should be issued for the guidance of the Interdepartmental Committee:

(1.) The Interdepartmental Committee to draw up two programmes: one showing a restriction of imports to the amount of 250,000 tons per month: the other showing a restriction rising to 500,000 tons per month.
(2.) The Interdepartmental Committee to be asked to sit de die in diem for a fortnight, or such shorter period as may be sufficient for their investigation.
(3.) The Interdepartmental Committee to consider what articles are to be restricted and in what quantities, so as to make up the total amounts shown in (1.)
(4.) The Interdepartmental Committee, upon which the Treasury will be represented, to pay special attention to the Exchange aspect of the question.
(5.) At the end of the examination the Interdepartmental Committee to make a report to Lord Curzon's Committee in the direction above indicated.

2, Whitehall Gardens, S.W.,
January 8, 1917.
THE CONFERENCE OF THE ALLIES AT ROME ON
JANUARY 5, 6, AND 7, 1917.

MEMORANDUM CIRCULATED BY THE PRIME MINISTER TO THE DELEGATES.*

THE Conference was summoned at the desire of the British Government, as we felt that, in the present situation, a very frank discussion was necessary, not only with reference to recent events in the Balkans and in Greece, but also in regard to the whole campaign of 1917.

2. We wish first to ask the permission of the Conference to speak with great frankness, and we invite the representatives of France and Italy to adopt the same course. In the last two and a half years the British and French representatives, owing to the comparative nearness of London and Paris, have been able to meet on very frequent occasions. The result is that we have all got to know one another personally; by degrees formality has been overcome, and at our most recent Conferences we have been able to speak our full minds to one another without reserve, and without causing any friction or misunderstanding. Considerations of distance have unfortunately prevented us from having such frequent meetings with the Italian representatives, but, in view of the traditional friendship between the British and Italian nations, and the racial affinity between the French and the Italians, we feel that we three nations, sitting together in council in this time of tremendous crisis, should speak to one another with the utmost freedom, and endeavour to secure the closest possible understanding. By such an understanding alone can we hope to secure that cordial co-operation which we believe to be essential to the winning of the war.

3. There is, indeed, nothing which the British Government have closer at heart than the concerted arrangement for co-operation between the Allies as will enable them to count for the tremendous advantages which the enemy has obtained from a centralised control.

4. The material and moral resources of the Allies are greatly in excess of those of the enemy. The Entente Powers have more men, more guns, greater resources, and the whole world to draw upon; and yet they have, up to the present, not been able to overcome their common enemy. What is the reason for this? It is that the German Emperor has secured complete control over the resources of all the Central Powers, and is able to use them wherever they can be most effectively employed, having regard to all the circumstances.

5. During the year 1916, each of the armies of the Entente Powers has conducted a campaign with the utmost skill and courage. We have nothing but admiration for the manner in which each of the armies has fought. We believe, though, that each nation has concentrated its efforts too much upon its own front, with the result that the advantages which the Allies possess in personnel and resources have not been utilised to their maximum efficiency. The efforts of the British and French armies on the Western Front; of the Italian army on the Southern Front; and of the Russians in the East, though latterly co-ordinated in point of time, have not been sufficient to prevent an inferior enemy from overrunning, first Serbia, and latterly, Roumania. This is a serious reflection on our common efforts, and it behoves each Government to do its utmost to rectify the fundamental error.

6. This, then, is the primary reason for which we have asked this Conference to assemble, namely, to examine whether some method can be found for focussing the efforts of the Allies in such a manner that, during the year 1917, the enemy can be crushed, and finally defeated. In fact, we ask that the Conference shall now give

* Note.—A French translation was prepared for those Delegates not familiar with the English language.
expression and find some practical solution to the principle which was discussed at the Conference held in Paris on the 15th and 16th November last.

7. Assuming, then, that the principle of complete and united co-operation is accepted—and we feel sure that the Governments represented here to-day are bound to accept it—let us examine the present military situation, and seek how this principle can best be applied.

8. Unquestionably, the gravest problems confronting the Allies arise from the collapse of Roumania. The Russians have had to extend their front in order that the Roumanian armies may re-form in rear before again coming into the line in full force. This, we fear, may exercise a far-reaching effect on the power of Russia for the offensive during the year 1917. The lack of heavy guns and ammunition which, in 1916, prevented Russia from developing her full strength, and which we had hoped to overcome by the additions to be made to the Russian armament during the next few months, may, we fear, again hamper the offensive of our great Eastern Ally, since the additional heavy guns will, for defensive purposes, have to be spread over the greatly increased length of front.

9. The Central Powers, we apprehend, may seek, if they think fit, to pursue their offensive far into the heart of Russia, either in the direction of Odessa or in the direction of Petrograd.

10. Or, alternatively, the Central Powers may prefer, when they have established themselves on the shortest possible defensive line in the East, to transfer a portion of their forces to attack the Allies at Salonica, and to overwhelm us in that theatre. According to our military advisers, the Allies, at their present strength, should be able to maintain themselves against any attack which the enemy can bring against them in the Balkan theatre, but only by the evacuation of Monastir. The consequences of abandoning Monastir, however, are not agreeable to contemplate. It will open the way for direct communication between the Central Powers and Greece, and may lead to the intervention, on the side of the enemy, of yet another Balkan State, a weak one, it is true, but not altogether negligible. Moreover, the evacuation of Monastir will have a most depressing effect on the moral of the Serbian army, and it is to be feared that the troops composing this already dwindling force may become so discouraged as to desert the colours and scatter to their homes. In any case, the Serbian army has always shown itself superior in offence to defence. Thus, by withdrawing to a shorter line, the Allies run the risk not only of a further serious weakening, but possibly of an actual diminution of their forces in the Balkan theatre. Finally, withdrawal from Monastir, and the entry of the enemy into Greece, will inflict a moral blow on the cause of the Allies, which cannot fail to exert a most unfortunate influence both on our own peoples and on neutral nations.

11. There is yet another course which the Central Powers may adopt. They may turn the mass of their manoeuvre army upon the Italian Front, either before or after they have dealt with the Russians, or, alternatively, with the army of the East. Are we to look on as anxious but impotent spectators, whilst Germany destroys our friends one after another? This is our present position in reference to Roumania.

12. Now what, I ask, are the plans of the Allies for meeting any of these contingencies? No doubt General Gourko, General Sarrail, and General Cadorna has each an admirable plan of his own for meeting the contingency. But what is the plan of the Allies as a whole? The combined offensive against Bulgaria, planned at Chantilly, is no longer practicable, and so far as we know the Allies have absolutely no plan, except for each General to continue "punching" on his own Front. We do not say that this course is negligible. Unquestionably, operations such as those undertaken on the Somme, or on the Carso, have some considerable effect in drawing in a part of the enemy's manoeuvre forces and in exhausting in rotation the troops that are put in to resist, but neither of these operations availed to save Roumania. In modern war, it seems that the power of the defence, by first-rate and fully-equipped troops, is so considerable that great attacks can be held up by armies inferior numerically. Unquestionably, also, the enemy has shown very great powers of resistance on the defensive, and extraordinary skill in making the utmost out of, and improving, artificially, such natural facilities as are offered by the terrain.

13. We suggest that the Allied Generals should be asked by this Political Conference, to consider some more thorough measures of co-operation, and that the Governments should be prepared to give them their support.

14. To give any direct assistance to Russia, except by means of such material equipment as can be passed in through Archangel and Vladivostock is, we fear, impossible. The extent to which material assistance can, and ought to be, given, to
Russia, having regard to the interests of the Allies as a whole, is the primary consideration to be examined at the forthcoming Conference in Russia. If the Russian Conference reports that, by increasing such equipment it is really possible in the year 1917 to put Russia in a position to exert an influence on the war commensurate with her numerical strength, then we think that the Western Allies should themselves be prepared to make sacrifices to render this possible. We are, however, not yet certain that this is the case; we have an open mind on the subject. We think it possible that technical difficulties of communications by sea and by rail, lack of communications on the Russian front, the character of bridges, inadequate facilities for training personnel, and the strategic disadvantages of a greatly extended front already alluded to, may possibly be so serious in their cumulative effect as to prevent a full use being put to the guns given to Russia. These, however, are matters primarily for the Russian Conference, and I will not detain the present Conference with them further.

15. With regard to the Balkans, the British and French Governments are in agreement, in principle, that—

"The Allies should continue to hold Monastir and the line at present occupied, as long as this can be done without exposing the forces to defeat. Meanwhile, a shorter line should be prepared for occupation, in case of need, which will enable the force to hold its own against any attack which may be made."

To meet the danger to the Salonica force, the French Government have decided to send two divisions, and have invited the British Government to examine the possibility of sending two divisions.

16. Practical considerations render it extremely difficult for us to comply with this request. The transport of troops from Great Britain to Salonica involves a long sea journey, and locks up shipping for considerable periods. Moreover, every increase of the army means an increase in the amount of shipping committed, for maintenance purposes, to this long and dangerous line of communications. The increased intensity of the enemy's submarine campaign makes this line of communication dangerous throughout its length. For these reasons we are most unwilling to send any further force to Salonica, at a time when our Allies are making ever-increasing demands on our shipping resources for their essential needs in raw materials, coal, food supplies, and munitions. So serious is the shipping position, and so vital a factor is it upon the staying power of the Entente, that we will return to this question later as a separate subject. In the meanwhile, we must ask the Conference to accept our view that after exhaustive examination we have come to the conclusion that the grave shipping situation provides an overwhelming argument against the despatch of further British divisions to Salonica.

17. These objections, however, do not apply to anything like the same degree in the case of Italy. The sea transit from Italy to the Balkan theatre of war is a comparatively short one, and a considerable portion of the route is well protected.

18. We, therefore, urge most strongly that the Italian Government and military authorities should examine, in the most sympathetic spirit, the question of principle of a considerable increase to their forces at Salonica. We wish to urge on them that this is desirable, not only in the interests of the Allies as a whole, but in those of Italy in particular. Any catastrophe to the Allied Army of the East would have a very serious repercussion upon Italy herself. It is possible that the next step the enemy will take may be to concentrate upon Italy, and the less the influence of the Army of the East the greater will be the concentration of men and guns against Italy.

19. Moreover, the penetration of the enemy into Greece, such as might occur if Monastir fell, would also affect Italy more seriously than any of the Allies, for the Greek ports would then become available as bases for enemy submarines against Italy's sea-borne communications. Thus, the security of the Allied Army of the East would appear to be a first-class Italian interest.

20. Apart from the question of principle as to whether Italy can send further divisions to the Balkans, the examination of this problem involves two questions of detail.

21. The first of these is whether Italian co-operation could be applied from the shores of the Adriatic. The French General Staff have suggested the possibility of the development of a route from Santi Quaranta to Monastir. If this is feasible it possesses considerable advantages, inasmuch as it involves a very short sea route, which can be covered in a single night, and, therefore, involves not only the allocation of less shipping, but also less danger in the sea passage. It would also enable the Italian command to
exercise a direct control in a definitely Italian sphere. I do not propose to discuss this matter in any detail, as it is a French and not a British proposal, and M. Briand will, no doubt, prefer to explain the proposal himself. I would only observe that this would seem to be a question which we might well remit for examination by the high military officers attending this Conference.

22. The second question of detail is another French proposal for a still greater development of the railway communications through Italy and Greece to Salonica for the passage of troops and, possibly, at a later date, even of supplies and munitions for the Salonica army. It may be that the time has passed for any general offensive by the Allies in the Balkans, but it is generally agreed that we cannot relinquish the position we at present hold in this theatre. In view of the increasing menace caused by enemy submarines, it would clearly be an advantage to the Allies to shorten the sea passage and the dependence of our Army of the East on shipping transport. Hence, we submit that this problem should be carefully examined and worked out, with a view to its future development on a great scale, as well as to its immediate possibilities. This, again, being a proposal of the French Government, I will leave it to M. Briand to develop, observing once more that it is a technical question that we might well remit for the consideration of our military advisers.

23. Leaving the Balkans, let us look at the Italian Front. Here there are two possible contingencies: one defensive, the other offensive. If the enemy should, as suggested above, concentrate his manoeuvre armies against the Italian Front, it would afford a great opportunity for the Allies. Should the enemy adopt this course, the presumption is that he will gamble upon the stupidity and lack of mobility of the Allies. Unquestionably, he regards us as stupid and lacking in initiative; we British must of all. Let us take advantage of this amiable belief. The enemy will base the plan of attack on the assumption that he has to meet a force of so many Italian heavy guns, some of which he knows to be of old type, and lacking in mobility. If he elects to attack on this front, we propose that the Allies should concert their own plans, so that instead of meeting the artillery armament that he calculates for, he shall find himself confronted with a vastly superior armament of Italian guns reinforced by British, and, we hope, French heavy artillery, with their own personnel. The object of this Allies is to kill Germans. We can put them out of action just as well on the Italian as on the Western front. By adopting this plan we might well convert a repulse into a rout, just as the Germans, by massing artillery on the Roumanian front, converted the Roumanian invasion of Transylvania into an utter defeat. We ask our Allies to examine this proposal in a sympathetic spirit, and, subject to the approval of the Conference, we propose that orders should be given to our respective General Staffs to work it out in all its technical details, including the elaboration of railway time-tables, and the arrangements for the necessary gun emplacements and communications.

24. The second possible contingency is that the Allies themselves should take the offensive in this region. We consider that the instructions to the Allied staffs should not be limited to the provision of a purely defensive scheme for the Italian front, as outlined above. We consider that they should be directed to examine also the possibilities of exploiting the offensive possibilities of this front. We should like to ask the Generals to report to us whether they cannot devise plans for a surprise artillery concentration for offensive purposes on the Isonzo front. If our information is correct, the Italian army has the strength to conduct offensive operations on a great scale on that relatively narrow front, which is suited to a great offensive, and they have also the infantry strength to hold a longer line than the present one. We understand that the reason why they have not yet achieved complete success in their splendid offensive is the lack of sufficient artillery and, more especially, heavy artillery and heavy artillery ammunition, to bring about a decisive conclusion. Would it not be possible to make a great and sudden stroke against the enemy by a concentration of British and French artillery on the Isonzo front, so as not only to ensure the safety of Italy against any enemy concentration, but, what is more important, to shatter the enemy's forces, to inflict a decisive defeat on him, and to press forward to Trieste and to get astride the Isonzo Peninsula?

25. The strategical advantages to be gained by such action appear to be very great. It would probably be a great surprise to the enemy. The action would be fought on enemy territory. It would enable the Italians to deploy their full strength. It would compel the enemy to defend a longer line. It should, therefore, have an immediate effect in relieving the Russian, Roumanian, and Balkan fronts. It might enable the Allies to attack Pola, and probably either to destroy the Austrian fleet, or to force it to action, or drive it out to become a prey to our submarines. This in turn...
should hamper the enemy's submarine campaign in the Mediterranean. Moreover, it could be accomplished without any additional strain whatsoever upon our shipping. It would have a moral and political effect of the greatest consequence, and would be a good counter to the enemy's successes in Roumania. It would enable the Allies to take advantage of a period when the weather on the Western Front is unfavourable to the development of a great offensive. It would, however, be absolutely necessary to have a clear understanding that, within a certain period of time, the heavy guns should be withdrawn to enable the British and French armies to pursue their offensive on the Western Front.

26. Such, then, are the problems which we think the Governments and the General Staffs should consider, namely:

(1.) The desirability of sending guns to Russia, even at a sacrifice, by the Western Powers. This, however, is a matter on which we must await the report of the Conference in Russia.

(2.) The desirability of the despatch of two Italian divisions to the Balkan theatre—either through Santi Quaranta or Salonica; in this connection also the development of railway communications through Italy and Greece should be examined.

(3.) The development of defensive and offensive schemes of co-operation on the Italian Front.
CENTRAL CONTROL BOARD (LIQUOR TRAFFIC).

MEMORANDUM BY LORD D'ABERNON.

1. ORDERS of the Central Control Board (Liquor Traffic) are now in force over by far the greater part of Great Britain. Under these Orders the hours for the sale and supply of intoxicating liquor are rigorously curtailed; the practice of treating, and the sale of liquor on credit are prohibited; the strength of spirits has been reduced; and other regulations of a restrictive character have been imposed.

2. From all quarters favourable reports have been received of the remarkable improvement which these Orders have brought about; and unmistakable evidence has been forthcoming to show that, notwithstanding the largely increased spending power of the industrial classes, the measure of success attained by the Board's Orders has been far greater than might have been anticipated from a policy of restriction unaccompanied by fundamental reorganisation of the trade. But on the evidence before them the Board are convinced that, though there has been great improvement, further substantial progress is attainable. The successful prosecution of the war is still being hampered by excessive consumption of intoxicating liquor.

3. This excessive consumption is of serious consequence to the efficiency of our fighting forces, especially in regard to material. Looked at from another point of view it involves wastage of the nation's food supplies, and prevents economy in the use of the nation's resources in the matter of sea and land transport. In the light of the experience which they have gained during the last eighteen months, the Board are of opinion that the time has now come when comprehensive measures, beyond their present powers, are necessary in order to carry to completion the work of restriction and control which the Board were established to discharge.

4. There are three possible policies:

(a.) More stringent restrictions;
(b.) Prohibition; and
(c.) Direct and complete control by the State of the manufacture and sale of intoxicating liquor throughout Great Britain.

5. With regard to (a) the Board are of opinion that the limits of effective action by alteration of the existing Orders have been well-nigh reached, and that any further action on these lines would be inadequate to obtain the further progress which is necessary for the best efficiency of the nation. What is required is not modification or increased stringency of the existing Orders, but their stricter observance. For this a different and less imperfect machinery is needed. In many areas, and those the areas in which excessive drinking is most prejudicial to efficiency, the Orders now in force admittedly do not and cannot produce their full effect on account of the inherent difficulty, under present conditions and with the Trade as now constituted, of securing the compliance of the public and the Trade. The pressure of competition in the Trade, aggravated as it is by a redundancy of public-houses, has made it difficult for licensees to employ measures of restraint which may have the result of irritating customers, and diverting trade to competing houses.

6. With regard to (b) the policy of prohibition has been widely canvassed during the war, but as at present advised the Board do not feel justified in recommending its adoption. They do not regard it as essential for the conduct of the war, provided that sufficiently stringent measures of control are applied. From the purely financial point of view, it would probably have the disadvantage of involving the State in the payment of large sums as compensation, apart from the loss of a considerable proportion of the national revenue. And there are obvious objections to any policy adopted for the period of the war which would be likely to lead to violent reaction when the war is over.
7. The remaining policy, namely, direct and complete control by the State, has already in four areas—Carlisle, Gretna, Invergordon, and Enfield—been put to the practical test of experience by the Board. In all these areas the results so far achieved, even in the short space of time during which the Board have been in possession, and in spite of exceptional difficulties, including the influx of a large temporary population, have been most encouraging. Excessive drinking in these areas has been substantially reduced, and measures have been taken to meet the demand for improved conditions in the supply of food and non-alcoholic refreshment.

8. State control has come to be regarded with more and more favour as being the policy which offers the most rapidly effective and the best permanent solution of the problem. Local authorities in adjacent areas have urged the Board to provide, by an extension of the existing boundaries, for their own inclusion in the area within which State control is now in operation.

9. The Board are satisfied that State control would give the following important results:

(a.) Strict observance of the law.
(b.) The elimination of all private profit in the sale of liquor.
(c.) The immediate suppression of many thousands of redundant licences.
(d.) The regulation of the quantity, quality, and strength of liquor, facilitating the conservation of food supplies and the more economical use of transport.
(e.) Extended facilities for the supply of food and non-alcoholic refreshment.
(f.) The amalgamation and reorganisation on an economical basis of manufacturing and wholesale businesses.
(g.) The release of a large number of men and women for work connected with the war.

Although not an essential element in a scheme of State control, the temporary suspension of the sale of spirits would become immediately practicable if deemed necessary by the Government in the national interest.

10. With regard to the financial aspect of the policy, the Board desire to point out that suppression of licences, concentration of businesses, the reduction and economical use of land transport would result in a large saving of working expenses; and that, in their opinion, no apprehension need be felt as to the effect of the proposed reform on the annual revenue of the State.

11. The Board have considered the possibility of assuming control of the drink traffic for the period of the war only, or as a preliminary to purchase at some later date, but they are satisfied that both on financial and on administrative grounds a policy of purchase outright is by far the more desirable course to adopt in the particular circumstances of the liquor trade. Acquisition, except on a permanent basis, would make it impossible to bring into full effect a revised and improved system of management, the central feature of which is undoubtedly the substitution for tenants of salaried managers having no financial interest in the sale of liquor. The governing authority could not deal effectively with concentration of businesses, reconstruction and adaptation of premises, and with the matters of the various undertakings and licensed houses. The expedient would be a costly one, involving the payment of large sums from the Exchequer in the form of compensation, without securing to the State the advantage of permanent control. If State control is to be adopted, purchase outright appears to the Board to be the most practical and the only financially sound procedure.

12. Having regard to all these considerations, the Board recommend that the policy of State purchase be adopted.

13. The Board have not deemed it necessary at the present stage to refer to the basis on which compensation should be paid to the various interests or to the precise method by which direct control should be exercised. With regard to the basis of compensation, His Majesty's Government have already at their disposal the reports (Cd. 8283 and S310) presented in April 1915, by the Liquor Trade Finance Committee appointed to consider this question in its relation to England and Wales and to Scotland. The question of the best means to be adopted for the exercise of direct control has for some time past been engaging the attention of the Board, who have accumulated a considerable mass of information on the subject. The Board would be prepared, if so directed, to submit a full report on this and other relevant questions for the consideration of His Majesty's Government.

December 16, 1916.

(Signed) D'ABERNON, Chairman.
REPORT BY THE FOOD CONTROLLER ON BREAD, MEAT, AND SUGAR.

To the Right Hon. D. Lloyd George, M.P.

I HAVE now had the opportunity of making a personal investigation into the conditions which govern the importation of three of our staple food products, viz., bread, meat, and sugar. My enquiries have covered:

(a.) The sources of supply;
(b.) The buying of the various commodities;
(c.) Their transport to destination;
(d.) Financial considerations; and, most important of all,
(e.) The statistical position of each in relation to consumption at the moment and in the future.

STATISTICAL POSITION.

Bread.

In the opinion of the Royal Commission on Wheat Supplies, it is essential to secure economy of wheat by a considerable reduction in its consumption in this country. There is no evidence of economy. In fact, such evidence as there is points in the other direction. The imports of wheat and flour at the principal English ports in the calendar year 1916 exceed the corresponding imports in 1915 by about 2,000,000 quarters, of which increase half was imported as, and still constitutes, a reserve; the remaining 1,000,000 quarters represent excess of sales of imported wheat in 1916 compared with 1915 to the extent of, say, two weeks' imports.

The home-grown stocks are short, the amount available for consumption being estimated at 4,460,000 quarters, of which about 3,780,000 quarters are estimated as still remaining on the farms.

As you are well aware, owing to the vicissitudes of the harvest, the crops of the northern hemisphere were poor, and in consequence by far the major portion of our requirements have to be imported from the more distant points, in Australia, &c.

In their estimate of requirements of wheat and/or flour for importation to the United Kingdom from the 1st November, 1916, to the 31st August, 1917, the Royal Commission have estimated that an economy of 5 per cent, on the normal importations will be realised by the effect of the Manufacture of Flour and Bread Order, 1916, increasing the extraction of flour from the wheat milled.

In view of all the circumstances, the Royal Commission consider that an economy of 5 per cent, is entirely inadequate. Further, with the existing tendency towards an increase in consumption, they doubt whether any actual net economy will be realised unless some further State action is taken.

The estimated stocks of wheat and flour in the United Kingdom this year and the two preceding years are given below. You will notice that while the total stock is slightly lower than 1913, and considerably lower than 1914, a portion of this stock is Government reserve, which it was decided should be maintained at 1,000,000 quarters; and the fact that it is now less than this figure is the effect of the local demand for supplies.
The quantity afloat for United Kingdom direct is about the same now as in 1915 and 1914 at this time.

If these figures are considered from a statistical standpoint alone it may be urged that there is a sufficiency of wheat supplies in hand, and on the way, to justify the present uncontrolled distribution of bread (and flour) continuing; but assuming that the policy to be aimed at is to bring about at the earliest moment a curtailment of the national consumption in order to husband supplies against unforeseen contingencies, this end can only be attained by some system of rationing.

I may add that the Wheat Commission are not anticipating any insurmountable difficulty in continuing to maintain supplies at the present level. Even if supplies of wheat should fall below the present level by as much as 15 per cent., the deficiency could be made up by still closer milling of the wheat and by the addition of other cereals. In view of this, and of the fact that the great variation in bread consumption among different classes of the community (from 3 to 6 lbs. per head per week) makes rationing almost impossible, I recommend that no such system be introduced at present.

If altered circumstances should warrant rationing at a later date, I should recommend that a maximum allowance per head, per week, of 4 lb. of bread should be enforced.

My enquiries have been made through the most reliable distributive channels of the co-operative and other organisations throughout the country in order to get as near a figure as possible of the average consumption at the present time.

Further, I have consulted the War Food Committee of the Royal Society, through Professor T. B. Wood, now on my staff, as to what quantity per day or per week of bread, and of other foods with which I am dealing, is necessary for the maintenance of efficiency in different classes of the community.

To Increase the Supply of Bread-stuffs.

I have had prepared and have personally tested several batches of loaves made from Government regulation flour, to which was added 5 per cent. and 10 per cent. of flour made from maize, rice, barley, and oats. Both the loaves containing 5 per cent. admixture and those containing 10 per cent. were of excellent quality, palatable, and nutritious, and with no objectionable characteristics of any kind.

At a recent conference of representative millers and bakers, it was admitted that an admixture up to 10 per cent., so far as barley and rice are concerned, presents no milling difficulties, but that other cereals could not be milled with the existing plant without considerable alterations.

I took the opportunity of discussing at the same time the possibility of further increasing by 5 per cent. the extraction of flour from wheat up to 81 per cent. instead of 76 per cent., the average extraction enforced by the regulation issued a few weeks ago. I am satisfied that this further extraction will not unduly depreciate the character of the loaf.

I have issued an Order making it compulsory on all millers—

(a) To increase the percentage of flour extracted from the wheat from the present 76 per cent. to 81 per cent.; or

(b) To add not less than 5 per cent. of flour from maize, rice, barley, or oats.

In both cases it will be permissible to add a further 5 per cent. of flour from maize, rice, barley, or oats.

The result will be a further economy of at least 5 per cent. and probably 10 per cent. of wheat.
The effect of these operations will be--

(a.) To further economise wheat;
(b.) To widen the basis of the supply of breadstuffs;
(c.) To economise tonnage.

Meat.

As regards meat, the main sources of supply of meat are--

(a.) From Australia.
(b.) From South America (shipped mainly from Buenos Aires (Argentina) and Monte Video (Uruguay).
(c.) From home production.

I am informed that the imported supplies of beef and mutton in the past ten months for civilian consumption amount to about 221,000 tons, equivalent to 22,100 tons a month available. As evidence of the diminution of imported meat for civilian consumption, the home supplies, which formed nearly 64 per cent. of the whole in 1913, now represent about 82 per cent. of the whole.

Taking the civilian population at the two periods, and correcting for the varying consumption according to age and sex, the quantity of beef and mutton available has fallen from 2.84 lb. per adult man per week in 1913 to 2.42 lb., a decrease equivalent to nearly 0.4 lb. per week per adult man.

In order to control distribution and/or further reduce consumption by State action, there are the alternatives of a meatless day or days and rationing.

I do not support the idea of meatless days. I think in the main it would be ineffective, would lead to compulsory waste of good food and evasion. Further, it would tend, on the day fixed, to create an abnormal demand for fish and other foods, which it might not be possible to meet. This would lead to disappointment and public irritation.

Rationing, on the contrary, if and when necessary to adopt, would give what is wanted to ensure diminution of meat consumption. In effect it would produce meatless days or their equivalent, and each household could suit its own convenience and predilection.

I have carefully discussed with Sir Thomas Probyn the immediate and future outlook as to his power to maintain imported supplies, and he is quite sanguine that this can be done. He informs me that the Australian meat available for export will be greater this season. New Zealand expects to exceed last season's shipments, and from the River Plate we could draw additional meat if more refrigerated tonnage were available. On the whole, the quantity of meat offered us is certainly in excess of what was available twelve months ago, but in every case our imports are limited by the amount of tonnage available.

Steps are being taken by myself, in association with Mr. Prothero, to stimulate the home production of meat by measures which will ensure larger and cheaper supplies of feeding-stuffs, and so obviate the danger of reduction of home stocks, already threatening; by reason of the dearness and scarcity of feeding-stuffs.

The head of live-stock in the country at present is slightly above normal, and the high prices of all feeding-stuffs is sufficient evidence of their scarcity. By compulsory regulation of slaughter of cattle and sheep at a certain stage of fatness, great economy of feeding-stuffs would be effected, and the feeding-stuffs saved could be diverted to the immediate production of pork. A given weight of pork can be produced in about one-third of the time and with the consumption of much less fodder than is required to produce the same weight of steer beef.

Considered purely from the statistical position, there is apparently no immediate necessity for the curtailment of consumption by compulsory methods; but if policy dictates that the necessity has arisen, then rationing is essential.

Presuming that meat would be defined as including fresh meat, preserved meat, poultry, game, and bacon, I should recommend that a maximum allowance per head per week of 2½ lbs. should be enforced.

Sugar.

I have ascertained from the Royal Commission on Sugar Supplies that the amount of sugar put upon the market by the Sugar Commission during the last six months
has been in round figures 25,000 tons a week. This is appropriated through the regular channels of distribution covering:

1. Domestic consumption.
2. Naval and military forces.
3. The manufacture of jams, confectionery, biscuits, &c.

These quantities ought to be ample sufficient to prevent anything like complaint, but, owing to the inequalities in distribution, certain areas and also certain individuals have, as a matter of fact, found difficulty in obtaining reasonable supplies. As regards areas, the difficulty has arisen partly from delays in transport and partly from movements of the population.

In order to ensure an equivalent of distribution so far as the supplies permit, I have come to the conclusion that this can only be achieved by a system of rationing. Rationing, if for no other reason, is justifiable in order to prevent that section of the community with greedy instincts from using such influence as they can command to securing for themselves an excessive supply of sugar, disregarding the deprivation it causes to others less fortunately circumstanced.

As regards the statistical position, if a fair and equal distribution could be secured, there would be available a sufficiency of supplies to ensure each individual in the country getting an adequate supply; but under the present circumstances that appears to be unattainable, hence I recommend that an allowance per head per week of ½ lb. of sugar be enforced.

System of Rationing.

I suggest that the first operative action as a preliminary to the establishment of the essential organisation to bring effective rationing into operation, which of necessity will take some time to improvise, will be to proclaim by Order under the Defence of the Realm Regulations the articles of food to which rationing is to be applied, stating the fixed maximum ration, and that to exceed these quantities is illegal; and, further, that infringement will be punishable by fine or imprisonment; also the date when the Order will become effective.

I have prepared a rough draft of a further announcement which I think should be issued by the Food Controller to the public, explaining why extended rationing may become necessary. The announcement would set out the quantities of the various foods that should be consumed per head per week, and appeal for a whole-hearted observance of these.

The great merit of these two acts would be—

(a.) To immediately bring rationing into action.
(b.) The probable curtailment of the excessive consumption of foods generally.

This would be in effect putting the nation upon its honour pending the decision to set up full rationing machinery, involving a system of official food-tickets, which would take some time to complete.

January 11, 1917.

DEVONPORT.
THE GREEK QUESTION.

NOTE BY LORD MILNER.

SIR F. ELLIOT and Brigadier-General Fairholme were staying on in Rome to await the result of the ultimatum to King Constantine, and I had a good deal of talk with both of them about the future. Assuming that the King accepts the ultimatum, Elliot thinks the greatest difficulty in working it will arise over the re-establishment of the Controls, especially the French Control over Police and Telegraphs, which, he says, in the past was both inefficient and vexatious.

I am convinced that both Fairholme and Elliot will do their very best to make the arrangement with Constantine work, if there is an arrangement, though they are—as we all must be—doubtful whether it will not break down over details. It is evident to me that it will have a much better chance of working if new men could be sent to replace the several Ministers and military attachés who have been engaged in putting the screw on Constantine during the past few months. New men would have a much better chance of carrying out the new policy, and I think both Elliot and Fairholme would welcome the change, and not regard it as any censure upon themselves—which, indeed, it would not be.

I also saw M. Alexandris, one of Venizelos's "Ministers," who has been sent to Rome to remove misconceptions as to Venizelos's policy in Italy. Italian Ministers, I understand, are prepared to receive him and hear what he has to say, but not to recognise him officially. He was, of course, not best pleased to hear that King Constantine was to have another chance, though he was fairly reasonable about it. I did my best to explain our present policy, which, of course, is not easy. He said he hoped it did not mean that we were going to abandon Venizelos. I assured him very emphatically that we should certainly not do that, and that, within the territory now in his possession, and in his efforts against the common enemy (Bulgarian and Turk), he would certainly have all the support which His Majesty's Government could give him, and that he was assured of the sympathy of the British people.

(Initialled) M.

2, Whitehall Gardens, S.W.,
January 16, 1917.
ASIA MINOR.

NOTE BY LORD MILNE.

In the course of a very long interview which I had with Baron Sonnino on Monday, the 8th January, he raised this question without my having previously referred to it, and explained his point of view at some length. He narrated fairly enough the previous history, with which we are all familiar, and said that he thought Italy had just cause to complain of the way she had been treated in the matter, though he did not think that there had been any deliberate intention to place her in a disadvantageous position, certainly not on the part of England. But he went on to say he was most anxious not to engage in recrimination, or to dwell upon the past. His sole object was now, as soon as possible, to get the question settled in a manner which would put Italy in a more favourable position, when the whole story came out, than she was at present.

It was quite likely, he thought, that none of our aspirations as regards Asia Minor could in fact be realised, or realised in full. It was more or less an ideal programme; but even in such a programme Italy ought to have her fair share. He was surprised that England had given Alexandretta to France, but that was England's business.

What interested Italy most was the question of the outlet to the sea by way of Adana and Mersina, as the Konia hinterland would be almost valueless without it. I was careful to avoid discussing the details of the possible agreement, but, as far as I could gather without going into them, he did not care so very much about Smyrna—certainly not as much as about Adalia and the coast opposite the Dodecanese.

With regard to the method of bringing about a solution of the question, I asked him whether he approved of London as a place of conference, and whether we might hope that he would come to it himself. He said he would like to have it settled in London, and was prepared to come himself, but only provided that there had been some previous discussion, holding out a hope of a settlement, as it would only make matters worse if there was to be a formal conference resulting in a failure to come to any agreement.

Various methods of advancing the solution of the question were discussed. He appeared favourable to the idea that there should be, in the first instance, an informal discussion in London between the Ambassadors of Italy, France, and Russia, and our Foreign Secretary. His hope evidently is that England will act as a mediator between France and Italy in the matter, and bring some pressure to bear upon France, so that, when the matter finally comes out, it may appear as a fair deal, in which all the four Allied Powers have received proportionate consideration. Anything else would, he felt sure, have a bad effect, not only upon the conduct of the war, but upon the relations of the Allied Powers afterwards.

What he cared most about was the maintenance of the Entente even in peace. The recognition of Italy's claims in the Mediterranean (and she had practically no claims anywhere else; she was a purely Mediterranean Power) was essential to this.

I may add that in this, as in all his remarks, Baron Sonnino was most friendly in his attitude to England, as well as very cordial to myself personally.

(Initialled) M.

2, Whitehall Gardens, S.W.,
January 16, 1917.
RAILWAY COMMUNICATION THROUGH ITALY TO THE BALKANS.

NOTE BY LORD MILNER.

At the Prime Minister's request, I telegraphed immediately after he had left Rome to Sir Eric Geddes, asking him to send an expert to Italy to discuss with the Italian Minister of Transport the possibility of securing a shorter and safer route for troops and supplies going to the Balkans, by making greater use of the Italian railways to Taranto or Brindisi. I pressed the importance of this point very strongly in speaking to Baron Sonnino, and also especially in an interview which Mr. Royden and I had on the afternoon of Monday, the 8th January, with the Italian Minister of Transport and his Under-Secretary.

They all fully admitted that, if the thing could be done, Italy had a very direct interest in it, as it meant a saving of shipping, and therefore more tonnage available for Italy, which, as we know, is in continual difficulties about the importation of coal and steel, and is now getting very anxious—as all the Italian Ministers whom I met repeatedly impressed upon me—about the importation of grain. A shortage of wheat imports after the next two or three months is what they are most afraid of. The Italians, they affirm, will stand almost any hardships arising out of the war, including shortage of many articles of food, but not of bread.

This question of transport to the Balkans has of course another side to it. In any case it would be an advantage if drafts, and also, if possible, stores, could be shipped to Salonica from Brindisi or Taranto instead of from England. But the saving in tonnage and reduction in risk would be much greater if the subsequent sea journey could be reduced by disembarking at Itea or Santi Quaranta instead of going all the way round to Salonica. Santi Quaranta is the ideal route, as the sea passage thither is extremely short and can easily be guarded. On the other hand, the land communication from Santi Quaranta to Monastir is extremely difficult, a long road through mountainous country, which, for part of the distance at least, is in a very bad state. It is admitted on all hands that for immediate purposes the Santi Quaranta route cannot be thought of; but looking a little further ahead, it might be of the very greatest importance hereafter, if it could be made available for wheeled transport, with perhaps a Décauville.

The Italians are quite alive to this, and I gather from General Wilson that General Cadorna is going to do whatever he can in the way of preparing and opening this route as far as such operations can be guarded by the limited number of troops which he at present has at his disposal in that region (I gather that Italian troops have lately been withdrawn from Albania, and that instead of having something like 60,000 men there, as stated in our latest military returns, there are now only something like 30,000).

With regard to this question Baron Sonnino made a significant remark to me. He said that, while it was perfectly impossible for the Italians to contemplate sending more troops to the Balkans at present, owing to the danger threatening their northern front (i.e., they fear a repetition of last year's attack in the Trentino by Austrians and Germans), he did not by any means exclude the possibility of Italy at a later stage, if the aforesaid danger had been overcome, considerably strengthening her army in the Balkans. In that case of course the Santi Quaranta route, if it could by any means be made practicable, would be of the greatest value.

2, Whitehall Gardens, S.W.,
January 16, 1917.

(Initialled) M.
TRANSPORT GENERALLY.

NOTE BY LORD MILNER.

The difficulty of maritime transport is undoubtedly the question uppermost in the minds of all Italian Ministers at the present time. Their anxiety centres on supplies of coal, steel, and grain. There is a threatened shortage of other imported goods also, but these seem the only vital ones. Accompanied by Mr. Royden I had a long talk on this subject with the Ministers of Transport, Finance (Treasury), and Agriculture, on Monday, the 8th January. The discussion involved a large number of technical points, with many of which Mr. Royden was already familiar. It was evident that it was impossible to deal with them adequately at a conference of this kind. I therefore suggested that the Minister of Transport should furnish me with a comprehensive memorandum reciting briefly all Italy's most urgent requirements in respect of tonnage, and any suggestions he had for the way of meeting them. I gave of course no promise of our being able to satisfy all Italy's wants, but confined myself to assuring him that whatever we could possibly do to help Italy—having regard to the great shortage of tonnage for all the Allied countries, and the fact that Great Britain had, besides supplying her own absolute necessities, to help all the rest—should be done.

The memorandum I asked for was sent to me at the Embassy just before my departure. It was in Italian. I handed it to Mr. Royden in the train, and one of our Italian fellow travellers translated it to him. He said he thoroughly understood all the points and would himself draw up a memorandum showing how far they could be met.

I think these papers should be obtained from Mr. Royden and filed with this note in the Cabinet archives.

(Initialled) M.

2, Whitehall Gardens, S.W.,
January 16, 1917.
MARITIME FREIGHTS.

Translation of a Memorandum by the Italian Minister of Transport referred to G.-112.

THE Royal Italian Government trusts that the British Government will come to an agreement with Italy regarding Maritime Freights, so as to ensure the same advantages as those accorded to France by the Convention signed in London last December by Mr. Runciman and M. Clementel.

While trusting that, following on a full and concrete exchange of views and proposals between the competent authorities of the two countries, this agreement may be concluded as soon as possible, the Royal Italian Government has the honour to present to the British Government the following requests, which are considered of particular importance and urgency in order to meet the imperative needs of the moment:—

1. Extension of c.i.f. freights for coal on Admiralty steamers (now limited to 50,000 tons per month) to the total quantity of 125,000 [?] tons of coal monthly, which amount, according to the agreement arrived at in London last October, the British Government has agreed to cede to Italy on the spot at requisition prices.

2. Allocation of sufficient tonnage for the transport to Italy of wheat, maize, rice, and other cereals to meet the requirements shown by the data already in the possession of the competent departments of the British Government, in addition to the limited amount of tonnage assigned up to date for the shipment of these products to Italy.

3. Conversion to time-charter of all the sixty-four licences (both time-charter and single voyage) granted up to date by the British Government for British steamers employed direct by the Italian Government or by private Italian firms.

4. Supplementary allocation of sixty British steamers on single voyage licences; such steamers to be directed, voyage by voyage, to Italy for the transport of coal. These sixty steamers represent the English tonnage which, in normal times, has always been employed in the free coal traffic with Italy, but which have in part failed to keep up of late.

5. Revision of the agreements for coal freights from England to Mediterranean ports, as follows:—

(a) The rate corresponding to the insurance premiums against war risks to be excluded from the freight, such insurance to be borne by the charterers.

(b) All Allied Mediterranean ports, including those of North Africa, to be included in the Schedule of Maximum Freights.

(c) Efficacious steps to be taken for the exercise of compulsion in regard to neutral steamers which were employed in the free coal traffic with Italy up to the 30th October, 1916, so as to keep them in that trade.

6. That the details for the execution of the Agreement relating to the chartering of foreign steamers through the International Committee be fixed so that the allocation of tonnage requested by the Italian Government and private Italian firms may be guaranteed proportionately with the total requests and offers received by the said Committee.

7. Management and direction of neutral steamers engaged on time-charter to be...
exercised exclusively by the chartering Government, without the intervention of any Shipping Agencies through which such chartering may have been effected.

8. Conditions for the transport of ores from the Mediterranean to England by the Italian Government to be fixed on the same basis as those governing the transport of coal from England to Italy effected by the British Government.

APPENDIX I.

NOTES ON THE ITALIAN MEMORANDUM BY MR. ROYDON.

In view of the very serious deficit on Government requirements, it is extremely undesirable to enter into fresh commitments as to the future provision of tonnage. The agreement with the French on the 3rd December has already proved extremely embarrassing, and will probably have to be modified.

1. In October the Admiralty agreed to buy 125,000 tons of coal on behalf of the Italians, but the provision of tonnage at Blue Book rates was not extended to more than 50,000 tons a month. It is presumed that the request in this paragraph is merely that tonnage will be provided at Blue Book rates in replacement of British chartered vessels. In that case the question is purely a financial one, and will, it is presumed, be supplied by the Treasury.

2. The supply of wheat to Italy is controlled by the Wheat Executive, who, in conjunction with the Transport Department are endeavouring to help the Italians so far as possible to meet their requirements for wheat, and maize as a wheat substitute. For maize as a cattle food, for rice and other cereals no responsibility at present exists, unless they are used in reduction in the supplies of wheat. It is impossible in the present tonnage situation to give the Italians any promise of assistance with regard to the transport of rice and other cereals, the supply of which even to this country is far from assured.

3. The sixty-four licences to which the Italians were originally entitled has by this time been reduced by war losses, &c., to fifty, representing thirty-six time-chartered vessels, and fourteen voyage-charters. The Ship Licensing Committee are strongly opposed to the concession of these fourteen voyage-charters to time-charters.

4. It is quite impossible to agree to the Italian request for the supplementary allocation of sixty vessels on voyage charter for the transport of coal to Italy. The tonnage position at present is that every tramp which can load by the end of February has been requisitioned, except those which are already in the service of France or Italy, those which are exempt from requisition as having been brought from neutrals, as having escaped from the Baltic, &c. (most of which are, in any event, already serving France or Italy, or doing equally important work), and a few others, which are doing work of such obvious importance that they could not be taken. Proposals are now before the Cabinet for making a substantial reduction in the liner services carried on by British vessels, but it must be remembered that any steps taken to secure further vessels now can only mature after the end of February, and that in addition to the requirements now notified, the large additional requirements for Russia will be putting further strain upon tonnage from the beginning of April onwards.

5, 6, & 7. The Board of Trade (in conjunction with Trade Division as regards C). These paragraphs have been referred to the Board of Trade.

With regard to 7, however, the present arrangement works well, and in view of the arrangements made between the Transport Department and the Italians for the use of neutral vessels to convey ore on the return voyage, it would appear undesirable to make any change.

8. The proposal made in (8) requires elucidation, and seems to be a matter for discussion between the Italian Delegation and the Controller of Shipping. Its financial aspect concerns the Ministry of Munitions.

The present arrangements in regard to the conveyance of iron ore in vessels requisitioned or chartered by the Italian Government to carry coal are as follows:—

Italy has provided Italian tonnage to the extent of 25,000 tons of ore a month, in consideration of which the Ship Licensing Committee has allowed certain British vessels time-chartered to Italy to return in ballast.
About October last, the Italian Delegation agreed, after great pressure, to load ore cargoes in the maximum possible number of their national steamers under requisition. They were guaranteed against any loss of importing capacity by a promise of additional British requisitioned tonnage in an agreed proportion.

As the ore situation grew more serious, it was necessary to press the Italian delegates to load ore in their chartered tonnage also, whether neutral or British, which was returning to the United Kingdom in ballast. They were given a similar guarantee against a loss of importing capacity, and it is understood the Ministry of Munitions also agreed to guarantee them against any net financial loss on the operation, after any saving in freight on the additional quantity of coal carried at British Blue Book rates had been taken into account.

The guarantee as regards tonnage is being fulfilled, and the shipment of coal is in advance of that of ore, in consequence of the recent agreement to give Italy additional ships for coal.

APPENDIX II.

Notes on Paragraphs 5, 6, and 7 of the Italian Memorandum, prepared in the Marine Department of the Board of Trade.

5. THE question of revising the agreement for coal freights from England to Mediterranean ports is now being considered by the Inter-Ally Chartering Committee, on which the Italian Government have representatives. The three points (a), (b), and (c) mentioned in paragraph 5 have already been raised by the Italian representatives on that Committee, and these questions can very well be left to be dealt with by the Committee. This Inter-Ally Committee meets several times a week at the Board of Trade.

6. The request here is that the Italians may be given their fair share of neutral steamers controlled by the Inter-Ally Chartering Committee. The Italian Government have their representatives on that Committee, and they can see that Italy gets her fair share.

7. This again is a question to be determined by the Inter-Ally Chartering Committee, on which the Italian Government have representatives. It is not expected that there will be any difficulty in this request being complied with.

January 10, 1917.
SUPPLY OF SHELLS AND STEEL TO ITALY: UNSKILLED LABOUR FROM ITALY.

NOTE BY LORD MILNER.

ACCOMPANIED by Mr. Layton, I had an interview on this subject at the Ministry of War on Tuesday morning, the 9th January, with the Under-Secretary Dall’Olio and a number of his officers. Colonel Delme-Radcliffe was also present. Mr. Layton, who seemed to me to have a thorough grasp of the details of this question, which is very complicated, had already been discussing it on preceding days with the Italian experts, who struck me as very competent and businesslike. Between them they had worked out a detailed programme of what we could do to assist Italy in this matter during the coming months. A copy of this programme, which Mr. Layton promised me, ought, I think, to be obtained from him and filed with this note.

The two general points which we discussed at this meeting were:

1. Italian purchases in America;
2. The assistance that Italy might give us in the manufacture of steel by supplying labour.

With regard to the former, I urged very strongly upon the Minister that the Italian Government should not itself make purchases in America, and should, as far as possible, prevent private firms from making purchases. I urged the extreme importance of avoiding competition, and of concentrating all the Allies' purchases in the hands of one body of buyers. The Italians fully admitted that this was the right course, but said that they had been driven to independent purchases by our failure to supply them with the proportion of steel which we had promised in the autumn of last year. I am afraid that this is true. Dall’Olio did not make a grievance of this, but rather urged it as an excuse for the fact that there was independent Italian buying, especially on the part of private firms, whom, as the Government was unable itself to supply them, he could not prohibit from doing the best for themselves on their own account. He was quite as anxious as we were, however, that there should be only one buying body for all the Allies on the American side, and would continue to work with that object, which, if we were able to carry out the programme now agreed upon, he hoped to be able to achieve.

His difficulty was in controlling private firms, as these had better acquaintance with sources of supply, and also greater financial resources, than the Government. A suggestion was thrown out that these Italian firms, which are in the habit of buying in America, should be formed into a syndicate, and should put their information and any offers of material made to them at the disposal of the central buying body, so that there might still be only one purchaser on the part of the Allies.

My impression is that the Italian Government are sincerely desirous of working with us in this respect.

2. The other point that I urged strongly was that they should help us in the matter of labour. The more labour they could give us, the more likely we were to be able to supply them with steel, as we were very short of labour in the steel works, and, while our plant was sufficient, there was a danger of our being unable to keep it running at full power. Dall’Olio replied that he was afraid they had no skilled workmen to spare, but that, as far as unskilled labour was concerned, he was most anxious to assist us. There were, however, objections on the part of the Government as a whole, but he thought that, if I could personally represent the matter to Baron Sonnino, they might be got over.
I therefore got the Ambassador to arrange another interview for me with Baron Sonnino, who came to see me at the Embassy late in the afternoon of Tuesday. I put our need of labour, and the point of view that the more labour they gave us the more steel we could give them, as strongly as possible to him, and found him not unfavourable. As regards skilled workmen, he said he feared the case was hopeless, but no doubt they could do something with regard to unskilled.

He asked me what sort of numbers I contemplated. I said we could take an indefinite number, and it was not worth while to talk of anything but considerable numbers. We must talk in thousands, not in hundreds—5,000 was the least that would be much use to us; we would rather have 10,000. He seemed a little anxious about the conditions, and whether there might not be trouble from our labour unions. I told him that if he agreed in principle, we would send a labour expert to arrange all the details, and that I could give him my personal assurance that we would not bring over one man unless we—British Government—were satisfied that the pay and conditions of living would be satisfactory, and that the people were sure of being well treated. On this he promised his hearty co-operation.

I think further steps in the matter should be taken without delay, while the iron is hot.

2, Whitehall Gardens, S.W., January 16, 1917.

(Initialled) M.
SUPPLY OF SHELLS AND STEEL SCRAP TO ITALY.

(Programme referred to in first paragraph of Paper No. G.-113.)

Note of Agreement (for the first quarter 1917).

<table>
<thead>
<tr>
<th>Shells</th>
<th>Description</th>
<th>Quantity</th>
</tr>
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<tbody>
<tr>
<td>305</td>
<td>One-third finished with fuzes, but not loaded for immediate delivery, in addition to the 200 shells weekly as agreed. Plans of interior loading will be immediately sent to Italy. Two-third forgings of the Italian type.</td>
<td></td>
</tr>
<tr>
<td>260</td>
<td>One-half in the first quarter, the other half being delayed if necessary until the second quarter.</td>
<td></td>
</tr>
<tr>
<td>210</td>
<td>Two-thirds in billets of one shell's length.</td>
<td></td>
</tr>
<tr>
<td>149</td>
<td>Cannot be supplied.</td>
<td></td>
</tr>
<tr>
<td>149 A</td>
<td>Cannot be supplied.</td>
<td></td>
</tr>
</tbody>
</table>

**Shrapnel**

300,000. One-fifth in billets of multiple lengths. Four-fifths finished, of which—

- 30,000 of 152 (6-in.), in addition to the 10,000 rounds monthly already agreed for, and that are absolutely essential.
- 210,000 of 149, of which event—
  - One-half shrapnel.
  - One-half explosive shells.

This delivery can be made if there is not great difference between the English type and the type the Italian Government asks to manufacture.

The number of rounds needed for the 6-in. guns (152 mm.) per month is 20,000, because actual Italian production is only of 200 daily; 88 guns are now in service, number that will shortly be increased. With 88 guns and 10 rounds per day the monthly output ought to be $30 \times 88 \times 10 = 26,400$. As there is no reserve, this calculation proves that the 20,000 shells monthly from England are at present absolutely necessary.

<table>
<thead>
<tr>
<th>Shells</th>
<th>Description</th>
<th>Quantity</th>
</tr>
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<tbody>
<tr>
<td>105</td>
<td>20,000 forgings and 179,000 in billets of multiple lengths.</td>
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</tbody>
</table>

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[552]
102 Shells.
54,500 in billets of multiple lengths.

The English ammunition Department of War thinks to be able to supply monthly from 4 to 5,000 tons of steel for heads.

It is agreed to accept the English specifications of steel, it being agreed that the lowest limit tensile breaking tenacity will not be under 42 for the small sizes and 46 for the heavy shells over 149 and shrapnel steel for the 149.

On the agreement of the Italian Government to accept the 149 and 152 shells in forms to be manufactured in England, the English Government engages itself to supply 69,000 tons of steel under the condition that the transport be absolutely assured by the Italian Government. For this purpose the steamers provided by the Italian Government will have to load ore, but the loss of time will be compensated according to the general agreement. The billets and forgings, except half of the 260 mm. forgings, will be supplied in the first quarter of this year, and finished 149 mm. shells or shrapnel in three months work, delivery beginning as soon as possible.

Steel Scrap.

From end of March onwards Italy needs monthly 40,000 tons of scrap. It is agreed that England will endeavour to buy them through Morgan. In case of Morgan not succeeding—of which fact notice ought to be given as soon as possible and in any case not later than middle of February—Italian Government would charge his representative in America to get bids, and these would be bought to the Joint Committee and then purchased by the English Government for Italy.

General Tozzi will be immediately informed to withdraw from the market and make no request for scrap until the middle of February.

To avoid as much as possible competition on American market, the Italian Government will make its best endeavour to group the Italian private firms who buy in America, and so doing put an end to the great number of requests from different buyers now interfering with the market, and that prevent re-establishing normal prices.

Plates.
The plates production for bombs for trench mortars requires 1,000 tons monthly in addition to what already provided. These ought to be supplied.

- 8 1/2 mm. 8 × 340 × 340, also multiple lengths.
- 8 × 450 × 450, also multiple lengths.

Specifications:
Tenacity 36/40.
Elongation 22/25.

- 10 mm. 10 × 430 × 735, also multiple lengths.
- 10 × 610 × 610, also multiple lengths.

Specifications:
Tenacity 40/45.
Elongation 20/22.

Mr. Layton will do his best to assist Italy on this point.

Glycerine.

It is exposed that the need for propellers production exceeds 600 tons monthly, of which it is necessary to receive from England a minimum of 150 tons monthly from January on. The glycerine should, if possible, be Nobel test.

Aluminium.

Italian factories not being yet in full work, and as it cannot be anticipated that they will be completely ready before May, so it is necessary for Italy to receive during the first four months a minimum of 600 tons from January on.
Vickers' Machine Guns.

400 machine guns.

The shipping of the first 200 machine guns, Vickers type, has been delayed on account of big demand from the British Army; 200 would be shipped in a very short time, but they are ground type. It is agreed that two arranged to be mounted on aeroplanes will be sent immediately, and Mr. Layton, as soon as he will be back to England, will cable information about the time wanted to transform the 200 machine guns, ground type, for aeroplane mounting. In the meantime, in Italy, on the basis of the two machine guns received, it will be decided, if convenient, to transform the 200 in England or in Italy, copying the two received as a model. The last 200 will be aeroplane mount, and possibly shipped before end of April.
NOTE BY LORD MILNER.

THERE is nothing to say about this beyond what I have already reported, but I just wish to place it on record that the Italians are waiting for us to make a move in the matter. All the Ministers I spoke to were anxious for such a Conference, and anxious to have it soon. Baron Sonnino assured me that they were prepared to send either the Minister of Marine, or, if not him, some highly placed and authoritative official. All he wanted was to be informed of the date, and that the French Minister of Marine, or some high official representing him, would be present. It was agreed that the Conference should be in London.

The next move in the matter now rests with us.

(Initialled) M.

2, Whitehall Gardens, S.W.,
January 16, 1917.
RESTRICTION OF BREWING.

MEMORANDUM BY LORD DEVONPORT.

(Previous Paper G.-107.)

THE amount of beer that can be brewed and is being brewed at the present time under the Output of Beer Restriction Act is 26,000,000 standard barrels, involving the use of about 955,000 tons of barley, 57,000 tons of grits, and 120,000 tons of sugar. This is 85 per cent. of what is known as the 1915 output (the actual period in the Output of Beer Restriction Act runs from the 1st April, 1915, to the 31st March, 1916). It is suggested that the amount be now reduced to 50 per cent. of the 1915 output. This would save or set free for other purposes about 400,000 tons of barley, 23,000 tons of grits (which are for the most part maize), and 50,000 tons of sugar.

This proposal rests on the following grounds:

1. It will save the tonnage now used for the sugar and the imported barley and grits, except in so far as any of this continues to be imported for other essential purposes.
2. It will make home-grown barley available for mixing with wheat for bread. Barley is particularly valuable for this purpose, because there are no mechanical difficulties in milling it with wheat. This will save tonnage on imported wheat or other cereals.
3. It will make unquestionably better use of the food value of the barley than is done in brewing (see extract below from report of the Royal Society Committee).
4. It will save labour, internal transport of very bulky goods, and fuel.

The procedure for giving effect to this policy has received careful consideration after consultation with representatives of the Central Control Board (Liquor Traffic), of the Board of Trade, and of the Customs and Excise Department. The following course is suggested:

1. An immediate return should be obtained of all stocks of malt and of barley and other cereals bought for malting purposes, and further malting should be stopped by an Order under the Defence of the Realm Regulation as soon as a sufficient amount of malt has been made to produce the reduced quota of beer that will be permitted. This action must be taken forthwith as the malting season is already far advanced. For this reason alone it is desirable that a decision on the proposals in this Memorandum should be reached at the earliest possible moment.

2. The actual restriction on brewing should be imposed by an amendment of the Output of Beer Restriction Act. This Act limits the maximum barrelage that can be brewed by any brewer to 85 per cent. of the amount brewed by him in 1915, i.e., enforces a reduction of 15 per cent. The amendment proposed is to substitute as from the 1st April, 1917, 50 per cent. for 15 per cent. as the reduction required. An earlier alteration would lead to a charge of breach of faith, in view of the terms of the existing Act, and, in any case, an alteration taking effect in the middle of a quarter would, in the view of the Customs and Excise Department, be practically impossible to administer.

3. Steps should be taken to control the distribution of the reduced output of beer so as to prevent particular districts or licensed houses from having their supplies disproportionately curtailed or cut off altogether.
4. In order to prevent the reduced supply of beer leading to an increased con-
sumption of spirits, measures may also prove necessary to secure a corresponding
control in regard to the distribution and sale of spirits.

5. The export of beer, save under licence, should be prohibited. All beer exported
represents grain that has previously been imported and on which has been expended
labour, coal, and transport facilities. This export trade has considerably increased
during the year 1916.

The Customs and Excise returns show the export as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Barrels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913</td>
<td>533,363</td>
</tr>
<tr>
<td>1914</td>
<td>559,269</td>
</tr>
<tr>
<td>1915</td>
<td>588,553</td>
</tr>
</tbody>
</table>

For the ten months of 1916 ending October 31

For the same period of 1915

614,726

1914

612,192

For the ten months of 1916 ending October 31

Estimated total export for 1916, 780,000 standard barrels.

Drastic restrictions have long been, in force in Germany and are now being made
still more drastic. Till November last, the breweries of Northern Germany were allowed
35 per cent., and those of Southern Germany 48 per cent. of their pre-war supplies
of barley. On the 17th November the northern breweries were reduced to 25 per cent.
(out of which 14 per cent. is absorbed for military purposes); no change has apparently
been made yet in the south. These figures compare with a percentage of 73 per cent.
still permitted in the United Kingdom.

The following cutting from the “Norddeutsche Allgemeine Zeitung” of the
21st December, 1916, appears to show that the recent reduction in Germany is con-
nected with the further use of barley to dilute wheaten flour:

“In consequence of the shortage of potatoes, the use of dried potato products
in bread will be completely stopped in Germany after the 1st January, and barley-
flour will be substituted. The necessary barley has been obtained by reducing
the brewing ration. The original idea of using rye-flour, obtained by a sharper
milling of that grain, has been abandoned, in order not to reduce the available
quantity of rye-bran.”

DEVONPORT.

Ministry of Food, Grosvenor House, W.,
January 5, 1917.

Enclosure 1.

Statement of Possible Objections and Answers.

The proposal will, no doubt, be resisted on the following, amongst other, grounds:

1. That it is an attack on a particular trade and will cause widespread loss for
which compensation should be paid. To this it may be answered that the restriction
so proposed is practically the same as that proposed in the case of confectionery and
aerated waters, where it is contemplated that the use of sugar should be limited to 40
or 45 per cent. of the pre-war use. There is no talk of compensation there. Other
trades have been or are being seriously affected because the country could not afford
them in war time. It would indeed be very difficult to justify a reduction of the sugar
used in confectionery without making at least an equal reduction of the sugar used in
beer. It would be equally difficult to give compensation in one case and not in
the other.

2. That it will deprive farmers of a valuable feeding-stuff, viz., brewers’ grains.
To this it may be answered that if the barley is milled for human consumption, the
barley offals (about 40 percent. of the whole grain) will be at least a full equivalent for
feeding purposes. If the barley is not all milled for human consumption, the balance
will, of course, be directly available for animals, though such a use is open to the
criticism that it is not the most economical use of the barley (see next paragraph).

Undoubtedly in some districts, notably Dublin, where the cows during the winter are
largely fed on brewers’ grains, there may be a temporary difficulty of transition to a new
feeding-stuff, but this can clearly be surmounted by proper organisation. In any case,
if the reduction of brewing is not brought into force before the 31st March (as proposed below) little or no difficulty can arise till next winter.

3. That beer is a food, preserving a large proportion of the nutritive value of its materials. On this point the conclusion of the Food Committee of the Royal Society, in their report just presented, is of great value:—

"The beer, together with the bye-products of the brewery, contains between 27 per cent. and 58 per cent. of the energy and less than 27 per cent. of the protein of the original material; whereas if these materials were not brewed, but utilised in the theoretically best possible manner, about 71 per cent. of the energy and 68 per cent. of the protein would be recovered as human food. This very high recovery is possible only if the use of the barley and other materials as food for live-stock is equally prohibited. If, as would otherwise be the case, they were converted into meat, only 15 per cent. of the energy and 17 per cent. of the protein would be realised as human food."

If, therefore, the barley is not kept mainly for human consumption a measure for restricting brewing will undoubtedly be attacked with some force as wasteful of food. If the barley can be used mainly for mixing with wheat flour, the scientific argument is conclusive against brewing.
RESTRICTION OF BREWING.

MEMORANDUM BY LORD D'ABERNON.

(Previous Papers Nos. G.-107 and G.-115.)

THE proposal to curtail the amount of grain available for brewing by 50 per cent. is open to the following objections:

1. It curtails supply without reducing demand. This will lead to trouble.
2. It will cost the Treasury some 16,000,000£.
3. Its effect on drinking and drunkenness is quite uncertain; it may not improbably result in alternations of beer famine and beer orgy, the public rushing for beer when it is available, and being discontented when the permitted supply is exhausted. Under the Restriction of Output Act this danger is only averted by brewers charging very high prices and making very large profits.

But beer cannot be taken alone. Complementary measures are requisite for spirits, otherwise the public, deprived of beer, will merely be diverted from beer to spirits. If the complementary measures are effective, the total loss to the Treasury will be raised from 16,000,000£ to 24,000,000£ (exclusive of possible claims for compensation). The necessary steps for spirits are difficult to devise. The Excise consider Mr. Stevenson's scheme unworkable, and any allocation of the reduced supply, either to the wholesale or retail trade, presents grave difficulties of execution, similar in character to, but graver than, those indicated in the case of beer.

The proposal cuts into the policy of gradual dilution, which has already achieved great results, and is working practically without friction. Beer is already coming down in strength under the Restriction of Output Act, and spirits have been reduced from 20 under proof to below 30 under proof without serious protest.

These objections could be met if the following alternative measures were adopted:

1. Modify the existing Restrictions of Output Act, reducing consumption to 15 per cent. below the current financial year. No greater reduction can wisely be imposed upon supply at one stroke unless demand has been reduced simultaneously.
2. This diminished demand could be obtained by doubling the present duty on beer, spirits, and (?) wine.

The financial result of these measures may be estimated as follows:

**Doubling Present Duty on Beer and Spirits.**

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present revenue (1916-17)</td>
<td>48,000,000</td>
</tr>
<tr>
<td>Under double tax</td>
<td>96,000,000</td>
</tr>
<tr>
<td>Allow for reduction of 40 per cent in consumption owing to combined effect of 15 per cent further restriction of output and doubled tax</td>
<td>38,000,000</td>
</tr>
<tr>
<td>Total revenue</td>
<td>88,000,000</td>
</tr>
<tr>
<td>As compared with revenue under proposal to restrict brewing materials by 50 per cent. and spirits in corresponding degree</td>
<td>24,000,000</td>
</tr>
<tr>
<td>Gain to revenue</td>
<td>34,000,000</td>
</tr>
<tr>
<td>As a partial set-off to the large increase of taxation it would be well to abolish the present licence tax on beer-houses and publicans, as this tax hampers the development of public-houses on non-alcoholic and restaurant lines. The abolishing of the licence duty would cost</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Net gain as compared with Lord Devonport’s proposal</td>
<td>30,000,000</td>
</tr>
<tr>
<td>Net gain compared with present revenue</td>
<td>6,000,000</td>
</tr>
</tbody>
</table>
Effect on Administration and Public Order.

As reduced consumption would proceed from increased duty and not from curtailment of supplies, the effect would not be spasmodic; no trouble or difficulty would be experienced through intermittent supply. At present brewers have to charge excessive prices, thereby making an extravagant profit, in order to reduce consumption to the level of permitted supply. This constitutes a corner in beer for the benefit of the brewer. The only (or the best) way to meet the difficulty is by an increase of tax. The advantages obtained under this plan would be permanent or quasi-permanent, whereas curtailment of supply could only be temporary.

If the reduction of consumption attained under doubled taxation was less than 40 per cent., which is the Excise estimate, the benefit in grain saved would be less, but the financial benefit greater.

On the question whether increased taxation is justified, it may be pointed out that the liquor trade has been deliberately left out of the general increase of taxation since November 1914, mainly because it was held that, being placed under the Central Control Board and its restrictions, it had suffered enough, but the action of the Central Control Board, so far from being detrimental to the financial interests of the trade, has been beneficial. Although the amount of alcohol sold has been largely diminished, both in beer and spirits, the net profit of a large number of brewers, particularly those in urban districts, has improved. This has been produced by the more reasonable conditions of trade imposed, including:

(a.) The prohibition of credit and suppression of hawking.
(b.) The prohibition of long-pull.
(c.) The dilution of beer.
(d.) The dilution of spirits.
(e.) Shorter hours, enabling houses to be run on one shift instead of two, and reducing charges for fire, light, and wear and tear.
(f.) Improvement of type of public-house servants owing to reduced hours of working—5½ hours instead of 17.

The ratio of net profit to turnover has, by these means, been largely increased. In effect some of the improvements anticipated from State control have already accrued. They would be carried much further by unified control.

This increased profit ought to revert to the State—either by increased taxation or direct ownership—as State action has been the main cause, apart from general prosperity.

These considerations may be held to justify the increase of taxation suggested, while the necessity of reducing demand to conform to the restricted supply can be met in no other way so effectually and easily.

Increased taxation is desirable, not so much because it produces revenue, as because it is necessary to reduce consumption to the required level. It is justified by the fact that, although the amount of alcohol consumed has been largely diminished, trade profits have never been higher than to-day.

Central Control Board (Liquor Traffic),
January 19, 1917.

D’ABERNON.
SECRET.
G. 117.

ENEMY PRINCES.

PARLIAMENTARY PLEDGES.

(Extracts from Parliamentary Debates, House of Commons.)

Mr. Swift MacNeill asked the Prime Minister (1) whether, having regard to the fact that the rank, style, and dignity of Royal Highness, Prince of the United Kingdom of Great Britain and Ireland, and G.C.V.O., now possessed by His Royal Highness the Duke of Albany, a traitor in arms against the Sovereign and people of these countries, are held subject to the pleasure of the King, and the titles of G.C.B. and G.C.V.O., now held by His Highness Prince Albert John Charles Frederick George of Schleswig-Holstein, now also in arms against the Sovereign and people of these countries, are held subject to the pleasure of the King, and are conferred or taken away by the exercise of the Royal prerogative on the advice of the Ministers of the Crown, he will, having regard to the conduct of those princes in becoming public enemies of these kingdoms, by whose people they were maintained and educated, advise His Majesty the King to deprive them of these honours, ranks, and dignities which they disgrace; and (2) why have not their Royal Highnesses the Duke of Cumberland, Teviotdale, and Earl of Armagh, and the Duke of Albany, Earl of Clarence, and Baron Arklow, traitors in arms against the Sovereign of these countries, and in the line of succession to the Throne, been deprived of their peerages by letters patent or statute, or any other powers, and of their vested rights on certain contingencies of succession to the Throne by Act of Parliament modifying the provisions of the Act of Settlement, which have been frequently modified, the modification generally being in the interests of Germans; and whether he is aware of the indignation aroused by the protection or immunity given to traitors in high positions, and the construction placed on such seeming preference to private and personal, as contrasted with public and Imperial interests; and will he take steps for the removal of such mischievous impressions?

Sir A. Markham asked the Prime Minister whether, with a view of allaying the sense of disgust felt by a large number of loyal subjects of the Crown at the Duke of Albany and Prince Albert of Schleswig-Holstein who are in arms against the Sovereign and the people of these countries, he will advise the Sovereign in the exercise of his Royal prerogative to deprive these persons of the various titles, rank, and precedence which they hold at the pleasure of the Crown, and which are accordingly revocable at such pleasure?

The Prime Minister: The Cabinet have had this matter under consideration, and we are, as I said some days ago, in full sympathy with the feeling of the House on this subject. His Majesty will be advised to take the necessary steps, both as regards titles and orders, and the technical questions involved are being considered by the Lord Chancellor.

Mr. Lynch: Will it be necessary to introduce a Bill?

The Prime Minister: I have stated that the question will be considered by the Lord Chancellor.

Mr. Lynch asked the Prime Minister whether he has a Bill in preparation destined to remove from the Peerage and from citizenship in this country those Members of the House of Lords, for instance, German princes, who are now in arms against the Allies; if not, why is this not to be done; and if so, why the introduction of the Bill is delayed?
MR. BONAR LAW: The exact form which the necessary legislation should take is now under consideration by the Government, and we hope to introduce it without undue delay—probably in another place.

MR. LYNCH: May I ask why there has been this delay? There has been more time wasted in answering questions than would have been necessary to pass a Bill through the House?

Vol. 86, col. 1515.

MR. LYNCH asked the Prime Minister whether he will submit to the House a statement giving the names of all the Members of the House of Lords who are now in arms against the Allies, together with the amount of the pensions the payment of which may be still due to them, and also a statement of the services to this country which have placed them in a position of special privilege?

MR. BONAR LAW: It is, I am informed, doubtful whether the Dukes of Cumberland and Albany—whom I presume the honourable Member has in mind—are actually Members of the House of Lords. I do not know of any other persons in arms against us who could be considered Members of that House. The answer to the second part of the question is that no such payments are due, and the third part therefore does not arise.

MR. LYNCH: May I ask the right honourable gentleman, on this point of doubt whether they are really Members of the House of Lords, whether they are really Members of that House, to remove them from that position, instead of protecting them, as the Government has been doing?

MR. BONAR LAW: I have just read the answer that it is going to be done.

MR. LYNCH: Yes, but there was a point of doubt.

Vol. 86, cols. 1515/16.

MR. LYNCH asked the Prime Minister whether he can now name a date for the introduction of the Bill dealing with the case of enemy princes who are Members of the House of Lords.

THE PRIME MINISTER: I hope this Bill will be introduced in another place very soon, but I am afraid I cannot yet name the precise date.

Vol. 87, col. 203.

MR. LYNCH asked the Prime Minister whether he is yet in a position to give the date on which will be presented the Bill dealing with German enemy princes.

THE PRIME MINISTER: The Bill is being drafted, and as soon as it is ready it will be introduced, as I have already informed the House, in another place.

MR. LYNCH: When the Bill is introduced, will the right honourable gentleman undertake to keep a House, as a count out is now a method of protecting German princes?

THE PRIME MINISTER: As I have said, it will be introduced in another place, over whose proceedings I have no control.

Vol. 87, col. 1415.

On the Motion for the Adjournment, in answer to MR. SWIFT MACNEILL,

MR. BONAR LAW said: I am afraid I must, like some of my colleagues, claim privilege as a Member of the new Government because I have not had time to look into this matter. I understand that what the honourable Member asks was promised by the late Government. If I may say so, I share in this matter the prejudices—if they be prejudices—of the man in the street, and I can assure the honourable gentleman that the question shall have my best attention.

MR. MACNEILL: I am quite satisfied with that.

Vol. 88, col. 985.
MR. LYNCH: Is it the intention of the Government to introduce a Bill dealing with enemy princes?

MR. BONAR LAW: It is not the intention to introduce a Bill this session. I promised the honourable gentleman who raised this question the other day that it will be gone into. That is being done, and there will be no delay beyond what is unavoidable.

In answer to questions by MR. LYNCH and MR. SWIFT MACNEILL with regard to Dec. 19, 1916, enemy princes having seats in the House of Lords, and other enemy princes holding titles,

MR. BONAR LAW said: As I have already explained, the Government are not in a position to deal with this matter before the recess; but I have undertaken that, with this reservation, there will be no delay.

MR. MACNEILL: Is the right honourable gentleman aware that so far back as the 27th July last the late Prime Minister promised me on the floor of this House that legislation would be instantly instituted, and that he likewise promised me that other gentlemen would be struck off the roll of knighthood. That could be done by a stroke of the pen, utterly irrespective of Parliament. Why is the House to be trifled with any longer in this way?

MR. BONAR LAW: During the ten days or so of the existence of this Government we have not had time to deal with anything that does not arise in connection with the war.

MR. LYNCH: Will the right honourable gentleman remove the impression which prevails in this country that these men are being protected on account of their relationship?

MR. MACNEILL: It was stated that there were difficulties in relation to that Bill. I believe there are none. Will the right honourable gentleman consider a Bill I have prepared myself, and that I would bring in to-morrow if I were allowed? I ask him to take this Bill and lay it before the Law Officers of the Crown.

MR. BONAR LAW: I shall be extremely glad to get the Bill, and I have no doubt it will be of assistance to the officials concerned in the matter.
COMMITTEE OF IMPERIAL DEFENCE.

Sub-Committee on Territorial Changes.

Interim Report.

2, Whitehall Gardens, S.W.,
January 25, 1917.
THE Prime Minister desires that an Inter-Departmental Committee, constituted as a Sub-Committee of the Committee of Imperial Defence and composed as follows:—

The Right Hon. Sir Louis Mallet, G.C.M.G., C.B. (Chairman),
Sir W. G. Tyrrell, K.C.M.G., C.B., Foreign Office,
Mr. G. R. Clerk, C.B., C.M.G., Foreign Office,
Mr. H. J. Read, C.B., C.M.G., Colonial Office,
Mr. C. Strachey, Colonial Office,
Mr. H. C. M. Lambert, C.B., Colonial Office,
Sir T. W. Holderness, K.C.B., K.C.S.I., India Office,
The Right Hon. the Lord Islington, G.C.M.G., D.S.O., India Office,
Major-General G. M. W. Macdonogh, C.B., War Office,
Major-General F. B. Maurice, C.B., War Office,
Admiral of the Fleet Sir A. K. Wilson, G.C.B., O.M., G.C.V.O., V.C.,
Admiralty,
Mr. W. F. Nicholson, C.B., Admiralty,
Sir H. Llewellyn Smith, K.C.B., Board of Trade,
Mr. H. Fountain, C.M.G., Board of Trade,
Mr. P. W. L. Ashley, Board of Trade,

Lieutenant-Colonel Sir M. P. A. Hankey, K.C.B., (Secretary),
An Assistant Secretary from the Committee of Imperial Defence,
should meet to consider:—

The question of territorial changes in Africa and elsewhere outside Europe which may be expected to follow as a result of the war, and which have not, so far, been considered by His Majesty’s Government, or which are not being dealt with otherwise, as proposed in the Foreign Office letter, dated the 8th August, 1916, attached herewith.

2, Whitehall Gardens, S.W.,
August 27, 1916.
INTERIM REPORT OF THE SUB-COMMITTEE ON
TERRITORIAL CHANGES.

I.—Disposal of Pacific Islands taken by the Allies from Germany.

1. THE Committee considered this question in the light of the second paragraph of the letter addressed by the Foreign Office to the Board of Trade on the 8th August, 1916, which forms part of the terms of their reference. The paragraph stated that "it appears to Lord Grey very necessary that His Majesty's Government should have a clear idea of what increase of territory is desirable in the interests of the British Empire, and how much of the territory already taken from the enemy by Great Britain and her Allies can be used (a) for surrender to the Allies as their share and (b) for bargaining with Germany in the event of the Allies being unable to impose their own final peace terms upon Germany."

2. The Committee agreed unanimously that the Commonwealth of Australia and the Dominion of New Zealand would resent any proposal to restore to Germany the islands taken from her in the Pacific and now in British possession, and that, in view of the sacrifices offered by those Dominions in the common cause, it would be desirable and politic to retain the islands permanently in British occupation (see also paragraph 2.8 below). They also recommend that the Japanese should not be disturbed in the possession of those islands which they have occupied. In coming to these conclusions they were influenced by the following general considerations.

3. The German colonies have, from their acquisition to the beginning of the war, been used mainly as a means of assisting Germany to obtain a dominating position in the politics of the world.

4. The possession of these colonies has given Germany a title to interfere in every local quarrel in almost any part of the world, while her colonial harbours have formed at once bases from which her ships can threaten the commerce of other nations and the excuse to her own people for the large expenditure on her navy.

5. The annexation of Kiaochao gave her the means of actively interfering in the relations of China and Japan with the other Powers, and gave them a base from which she could seriously threaten our commerce in the event of war, thus compelling us to keep a much stronger fleet in China than would otherwise have been necessary, and this fleet, on the outbreak of war, proved to be quite inadequate to prevent the German squadron based on Kiaochao from attacking our commerce, and even with the enormous additions that were made to our fleets in foreign waters and the assistance of the Japanese, it took four months to bring that German squadron to a decisive action.

6. The note on the German possessions in the Pacific attached to this report (Appendix (A)) shows which of them are occupied by the British and which by the Japanese, and gives information respecting their relative importance, the number of the inhabitants, harbours, trade, &c.
7. If the suggestion of the Committee respecting the disposal of the islands now in British and Japanese possession be accepted by His Majesty’s Government, it should have the previous sanction of the Australian and New Zealand Governments before being finally adopted for the endorsement of the Allies. In the event of its acceptance, Australia would, it is understood, retain the administration of German New Guinea, and New Zealand that of Samoa; but the exact distribution amongst the British administrations in the Pacific of those German possessions which are in British occupation may, in the opinion of the Committee, be left to the Colonial Office.

8. In regard to the islands occupied by the Japanese, the Committee were informed that His Majesty’s Government received in August 1914 categorical assurances from Baron Kato that Japan had no intention of seizing territory such as the German islands in the Pacific, which might cause apprehension in Australia and New Zealand.

9. The Japanese Prime Minister made a public pronouncement to the same effect. The Japanese Government were, moreover, informed on the 22nd August that British expeditions were on their way from New Zealand and Australia, the former to occupy Samoa and the latter to seize the Carolines, German New Guinea, and other German possessions in the Pacific.

10. A little later, however, Japanese warships were sent to these waters, and acted in co-operation with those of Great Britain in the destruction of enemy bases and ships.

11. A Japanese force was landed in the Marshall Islands and an expedition sent to other islands. Some excitement was caused in the United States, and the Japanese Press Bureau issued a statement to the effect that the occupation of Jaluit was purely military and not political. They proceeded to occupy Yap, Angaur, and other German possessions north of the equator.

12. Baron Kato expressed the opinion to His Majesty’s Ambassador that it would be impossible ever to restore any of these islands to Germany, and later on, in October, he made it clear that the Japanese had no intention of evacuating any of those lying north of the equator. The memorandum already referred to, marked “A,” indicates the islands now in Japanese occupation.

13. In view of the situation thus created, the Committee had to consider whether the possession of these islands by Japan constituted such a menace to Australia, and to British interests generally, as to make it imperative to hold the Japanese Government to their original undertaking not to annex them; or, if not, what measures, if any, might be necessary to counteract the inconvenience of their annexation by Japan.

14. The Committee, basing their opinion upon the memorandum furnished by the Admiralty, which forms Appendix (B) of this report, came to the conclusion that the occupation by Japan of the islands north of the equator, even although they would provide the Japanese Government with naval bases and wireless installations 2,000 miles south of Japan, would not seriously affect British interests either by endangering the trade routes or in any other way.
15. It may be mentioned parenthetically that the question of acquiring a harbour and coaling station from the French east of the Cook Islands will be referred to later on.

16. In the circumstances the Committee consider that it would be unnecessary besides being highly impolitic to insist upon evacuation, in view of the bad effect which such action would inevitably have upon the future relations of the two countries.

17. The Committee, whose attention had been directed to the increased danger of Japanese trade competition in the Pacific which the possession of these islands would facilitate, and to the opportunity which the territorial settlement might offer for coming to some agreement with a view of safeguarding British interests, decided, after considering the memorandum put forward by the representatives of the Colonial Office, which is annexed to this report (Appendix C), that it would be preferable to leave the different British Administrations to deal with these questions locally as they have done in the past. Australia and New Zealand have always been strongly opposed to the negotiation of agreements with Japan, and had even refused to adhere to the Anglo-Japanese Treaty of 1911.

18. In conclusion, the Committee felt that the future relations of Great Britain and Japan would to a large extent depend upon the issue of the war—which, if favourable to the Allies, would influence Japan in the direction of maintaining good relations with this country, and would render the chances of friction arising out of the Japanese possession of the islands very remote.

19. If, on the other hand, the war resulted unfavourably to the Allies, it was difficult to predict what course Japan might take.

20. The Committee considered the question whether it would be desirable to acquire by exchange or agreement the Portuguese portion of the island of Timor, which is at present partly in Dutch and partly in Portuguese possession. They were informed by the Admiralty that the information in their possession is insufficient to enable them to form any authoritative opinion as to the comparative value of this territory for the purpose of an exchange. Oil is known to exist there, and if it can be obtained in quantity and prove to be of similar high quality to that obtained in the neighbouring islands of Sumatra and Borneo, the existing British concessions might be extremely valuable, in which case it would be advantageous that the sovereignty should be British. The Admiralty state that the island is not required as a naval base in any sense of the word. Dilhi, the seat of government, is the only known harbour in the Portuguese territory; the anchorage is good, though the area is somewhat restricted.

21. The proximity of Timor to Australia renders it a potential menace to the Commonwealth if a foreign Power purchased it from Portugal, while as a Japanese possession it would be dangerous.

The Committee suggest that, in any discussion which may take place with Portugal in regard to readjustments of Colonial territories, the importance of providing against the alienation of Timor to any other Power should be considered.

22. The Committee were unable to elicit any information as to which nation claims possession of Hunter and Matthew Islands. These islands are of very small area, and possess no harbour. The Committee concur in the view of the naval authorities they can be of no use to us, nor can the fact of their being in the possession of another Power affect us in any way.

II.—The Proposed Exchange of the New Hebrides for Islands lying between the Cook Pitsarn Island.

23. It being part of the duty of the Committee to consider readjustments of territory with the Allies and the abolition of
obsolete treaty rights, they have discussed a proposal put forward by the representatives of the Colonial Office, whereby Great Britain should surrender to France her interest in the New Hebrides in return for a cession by the latter of the French islands lying between the Cook Islands and the Pitcairn Islands.

24. It is a matter of common knowledge that the Franco-British condominium for the joint government of the islands which was established in 1906, has proved a failure. It was hoped that that arrangement would result in the better protection of the natives, and in the reduction of friction between Great Britain and France, but this hope has been disappointed. The French officials have not co-operated fully with the British officials to ensure its smooth and effective working, this failure being particularly noticeable in regard to offences connected with the sale of arms, ammunition and liquor to natives and recruitment of native labour. There has been no effective jurisdiction over natives, and the French Administration has failed to enforce the laws for the protection of natives as against their own dependants.

25. It is felt that, despite the partial improvements arranged with the French Government just before the war but not yet put into operation, it is a matter of urgent importance both for the sake of the good government of the islands, and in order to avoid serious causes of friction with France in the future, to terminate the present arrangement either by the cession of the islands to one party or the other, or by their division. Division, owing to the great extent of French land claims, which could hardly be settled by the Joint Court under two years, would be a difficult and unsatisfactory solution, and it is very doubtful whether it would be possible to buy the French out on any terms which we could consider.

26. Although it is the case that Australia and New Zealand have few material interests in the New Hebrides, where most of the landed and a good deal of trading interests are French, yet public opinion, especially in Australia, is sensitive and considers that the interests of Australasia have been overlooked in the past.

27. This was made clear at the Imperial Conference of 1907, and in 1911 the Commonwealth refused to endorse a suggestion made by the High Commissioner for the Western Pacific and supported by New Zealand and by the Admiralty, for the exchange of British rights in the New Hebrides for Tahiti.

28. The Committee would therefore urge that, if the proposal to cede British rights in the island be accepted in principle by His Majesty's Government, the views of the Commonwealth, and the New Zealand Governments should be confidentially ascertained before it is further proceeded with, the reasons in favour of the proposal being fully explained to them. If they were favourably disposed, and if the proposal were finally adopted by His Majesty's Government, the Committee would recommend that direct overtures should not be made by His Majesty's Government to the French, but that His Majesty's Government should wait until the French Government made known their wishes and came forward with suggestions for a settlement of outstanding questions.

29. It is unnecessary to say that, if the French Government were aware that His Majesty's Government desired an arrangement of the nature outlined, they would be unlikely to show an accommodating disposition.

30. A note on the New Hebrides and on the French islands which it is desired to obtain in exchange for the relinquishment of British rights there is attached to this report (Appendix (D)).

31. The main object which the Committee have in suggesting the acquisition of these islands is the importance which the Admiralty...
attach to obtaining a good harbour and coaling station in Oceania, in view of the opening of the Panama Canal.

32. Memoranda by the Hydrographer of the Navy (Appendices (E) and (F)) shows the relative importance of the four harbours at Manga Reva, Rapa, Papiétè (in Tahiti), and Bora Bora.

33. The Tahiti group (Society Islands) are not self supporting at present and would not be a remunerative acquisition from a financial point of view. On the other hand, the Admiralty state (Appendix (E)) that they are likely "to become a centre of considerable importance on the cross-Pacific trade," lying as they do on the route between Australia, New Zealand, and Panama.

34. A more prosperous future for these islands may therefore be anticipated, to which the French Government are doubtless fully alive.

35. Although on general grounds such an exchange as is proposed should appeal to the French Government, as it is in the direction of reconstituting our Empires in those "more homogeneous and more coherent groups" to which M. Delcassé attaches such importance, it may prove difficult to negotiate the full exchange contemplated in this report, for, in the circumstances, it would not appear probable that the French Government would be willing to part with all their harbours in Oceania, as would be the case if they gave us Papiétè (in Tahiti), Manga Reva, and Rapa.

36. If it should prove impossible to persuade them to give us all the islands between the Cook Islands and Pitcairn Island, it should be borne in mind that our principal object is to obtain a good harbour, and that the negotiations need not necessarily be abandoned if we were unable to obtain all our demands.

37. The Board of Trade recommend and the Committee agree that, if the New Hebrides be ceded to France, it should be a condition that British trade interests should be safeguarded either by a proviso against discrimination or in some other way, that existing concessions and enterprises be confirmed, and that British subjects should have equal rights to engage in businesses, occupations, or professions and should be treated on a like footing in regard to taxation, both national and local.

(Signed) LOUIS MALLET (Chairman).

W. G. TYRELL
G. R. CLERK
H. J. READ
C. STRACHEY
H. C. M. LAMBERT
T. W. HOLDERNESS
ISLINGTON
G. M. W. MACDONOGH
F. B. MAURICE
A. K. WILSON
W. F. NICHOLSON
H. LLEWELLYN SMITH
H. FOUNTAIN
P. W. L. ASHLEY.

2, Whitehall Gardens, S.W.,
January 25, 1917.
APPENDIX (A).

Note on the German Possessions in the Pacific.

THE "Deutsches Kolonial-Handbuch" for 1908, which is stated on the cover to have been compiled by Professor Dr. Rudolf Fitzen from official sources, gives the following divisions of the German Protectorate of New Guinea:

<table>
<thead>
<tr>
<th>Name of Group</th>
<th>Area in Square Kilometres</th>
<th>Population</th>
<th>Density per Square Kilometre</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bismarck Archipelago, with the German Solomon Islands (Br.)</td>
<td>57,100</td>
<td>250,000</td>
<td>4.4</td>
</tr>
<tr>
<td>2. Kaiser Wilhelm’s Land (Br.)</td>
<td>181,650</td>
<td>110,000</td>
<td>0.6</td>
</tr>
<tr>
<td>3. Caroline Islands (Japanese)</td>
<td>1,630</td>
<td>48,855</td>
<td>29.2</td>
</tr>
<tr>
<td>4. Marian</td>
<td>828</td>
<td>2,789</td>
<td>4.5</td>
</tr>
<tr>
<td>5. Marshall</td>
<td>405</td>
<td>16,000</td>
<td>37</td>
</tr>
</tbody>
</table>

The same authority gives for Samoa:

<table>
<thead>
<tr>
<th>Name of Group</th>
<th>Area in Square Kilometres</th>
<th>Population</th>
<th>Density per Square Kilometre</th>
</tr>
</thead>
<tbody>
<tr>
<td>German Samoa</td>
<td>2,588</td>
<td>37,269</td>
<td>14.4</td>
</tr>
</tbody>
</table>

The groups marked (Br.) all lie south of the equator and are in British occupation, while Nos. 3, 4, and 5 lie north of the equator and are occupied by the Japanese, with the exception of Nauru, which, although belonging to the Marshall Islands, lies south of the equator and is in British occupation. The phosphate deposits in Nauru are worked by an English company—the Pacific Phosphates Company.

The Bismarck Archipelago and Kaiser Wilhelm’s Land formed what the Germans called “the old protectorate,” the Alte Schutzgebiet as opposed to the Inselgebiet, which included all the Carolines, Marianas, and Marshall Islands. When war broke out both were under the Central Government at Rabaul.

1. The principal islands of the Bismarck Archipelago are New Pommern (New Britain) with the Gazelle Peninsula, principal places, Rabaul (the administrative headquarters of the protectorate of German New Guinea, a good harbour, formerly called Simpson Hafen), and Herbertshöhe (former capital), New Mecklenburg (New Ireland), New Lauenburg, and new Hanover, and the Admiralty Islands (of which Manus is the largest). Of the German Solomons (those to the south-west are British), the largest and most important is Bougainville.

2. Kaiser Wilhelm’s Land, i.e., the mainland of New Guinea and adjacent islands.

No census exists of the native population, but the "Kolonial Atlas," issued by the Colonial Company in 1914, gives over 300,000. (This estimate is much bigger than that given by Dr. Fitzner, and other estimates are even larger.) Principal ports, Friedrich Wilhelmshafen, Eitape, and Adolphshafen.

The tariff system in force included a lengthy free list, including railway materials, agricultural machinery and implements, fuel, lubricating oils, tubes, telegraph wires, building materials of all kinds, manures, harness makers’ goods, fence wires, straps, ropes, hawser, anchors. Specific duties were levied on tobacco, spirits, wine and beer. All other goods paid 15 per cent. ad valorem.

The statistics of imports for 1912 are the following:

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>German New Guinea (Bismarck Archipelago, Solomon’s Islands, Kaiser Wilhelm’s Land)</td>
<td>289,000</td>
</tr>
<tr>
<td>Germany</td>
<td>100,000</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>11,000</td>
</tr>
<tr>
<td>Australia and South Sea</td>
<td>93,000</td>
</tr>
</tbody>
</table>
3. The Carolines were divided into:

(a.) East Carolines. Principal islands, Truk (native population, 13,514) (these and following figures are from Dr. Fitzner) and Ponape (native population, 3,265); total population of group, 25,629.

(b.) West Carolines and Palau (Pelew). Principal islands, Yap, where there was a wireless station and the German-Dutch cables from German New Guinea, Celebes, Shanghai, and Guam met (population, 6,141), and Palau (4,074); total population of group, 14,860.

4. Marianna (or Ladrone) Islands. Principal island, Saipan (population, 2,163); total population, 2,789. (Guam, the largest island, belongs to the United States.)

5. Marshall Islands. Principal islands, Jaluit (white population, 48) and Nauru (white population, 34). Jaluit is the headquarters of the Jaluit Gesellschaft, the principal German trading company north of the line. Statistics of imports for 1912 are as follows:—

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Carolines, Marshall Islands, and Nauru</td>
<td>97,000</td>
</tr>
<tr>
<td>Germany</td>
<td>22,000</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2,000</td>
</tr>
<tr>
<td>Australia and South Sea</td>
<td>56,000</td>
</tr>
<tr>
<td>West Carolines, Pelew, and Marianna Islands</td>
<td>67,000</td>
</tr>
<tr>
<td>Germany</td>
<td>25,000</td>
</tr>
<tr>
<td>Australia and South Sea</td>
<td>15,000</td>
</tr>
</tbody>
</table>

6. German Samoa includes the islands of Upolu, where is Apia, the seat of Government, and Savaii. (Tutuila, with the fine harbour of Pago Pago and other islands of the group, belong to the United States of America.) The import statistics are as follows:—

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samoa</td>
<td>246,000</td>
</tr>
<tr>
<td>Germany</td>
<td>48,000</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>23,000</td>
</tr>
<tr>
<td>Australia and South Sea Islands</td>
<td>155,000</td>
</tr>
</tbody>
</table>

APPENDIX (B).

Admiralty Remarks on the Claim of the Japanese to occupy the Islands captured from the Germans North of the Equator.

In view of the assistance given by the Japanese in clearing the enemy out of the China Seas and Western Pacific, it is only right that they should receive a fair share of the islands captured.

For the maintenance of our position in the China Seas it is of very great importance to continue our friendly relations with Japan, and that, if possible, the Alliance should be renewed. It is therefore essential to meet her wishes in a friendly spirit. The proposal that she should retain the captured islands north of the Equator seems to be a fair one and one that gives no reasonable ground of complaint to the Australian and New Zealand Governments.

The groups of islands which, under these conditions, will come under Japanese control are the Mariana Islands, Pelew Islands, Caroline Islands, and Marshall Islands. They contain a great number of islands, most of which are atolls, that is, mere coral reefs enclosing lagoons.

Only seven of the islands appear to possess harbours which would be suitable as bases, and most of these are small.

A brief description of each of these is attached.

In view of the isolated positions of these islands it is doubtful if it would be worth while to defend them on a sufficient scale to resist attack by such a force as could be sent from Australia or Hong Kong, provided we maintained command of the sea, and it is doubtful if we should consider it worth while to defend any of them if they were in our hands. The only British trade route of any importance that at
present passes through these islands is that used by the P. and O. steamers, which go
direct from Sydney to Yokohama. In case of war with Japan the trade on this route
would necessarily cease. All the trade between Australia and China passes south of
New Guinea. It is true that the islands can be used as bases for the supply of
submarines about 1,200 miles nearer the trade route between Australia and China than
any of the ports previously in their possession, but there are so many islands that, even
if they were all nominally in our possession, it is doubtful if we could prevent some of
the atolls being used for this purpose without our knowledge.

As regards their use as W/T stations, Yap, where the Germans had a high-power
station, is the principal one to be considered.

The area covered by this station is also covered by one or more of the British
high-power stations at Hong Kong, Rabaul, and Nauru, except for a small area south­
east of Japan. The two latter stations were taken from the Germans.

Yap is also the landing place of three cables belonging to the German Netherlands
Telegraph Company, and so forms a link between the Dutch East Indies and Shanghai
and between both and Guam, which latter is an important junction of the cables from
San Francisco, the Philippines, Japan, &c.

Besides Yap, the Japanese have established the following W/T stations on the
captured islands:

<table>
<thead>
<tr>
<th>Miles</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Truk</td>
<td>700</td>
</tr>
<tr>
<td>Saipan</td>
<td>600</td>
</tr>
<tr>
<td>Koror</td>
<td>900</td>
</tr>
</tbody>
</table>

Those are not near any important trade routes.

Admiralty, November 15, 1916.

Enclosure to Appendix (B).

CAROLINE ISLANDS.

Yap Island.—Latitude 9° 30' north, longitude 138° 10' east.

Tomil Haven.—A good harbour, but narrow. Suitable as a submarine base, and
for larger ships if moorings were laid. The anchorage is open to long-range
bombardment, but it could probably be easily defended by sufficient long-range guns.
The entrance is narrow and could be easily defended.

Ponape Island.—Latitude 7° 0' north, longitude 158° 8' east.

Ponape Haven.—A small harbour, which could be used as a submarine base. The
entrance could be easily protected, but it would not be easy to defend the anchorage
against long-range bombardment, to which it is open over an arc of 180°.

Port Metalanium.—Generally inferior to Ponape Haven. It is open to the north­
east, and occasional heavy swell sets in. The anchorage is open to long-range
bombardment, against which it would be difficult to defend it.

Kusaig Island.—Latitude 5° 15' north, longitude 163° 8' east.

Chabrol Harbour.—Suitable as a submarine base. The entrance could be easily
defended, but the anchorage is open to long-range bombardment; adequate protection
should, however, present no great difficulty.

Coquille Harbour.—Could be used as a submarine base, but is inferior to Chabrol
Harbour. Not easily defended against long-range bombardment, to which it is open
over an arc of 180°.

Truk.—Latitude 12° 40' north, longitude 151° 50' east.

A large enclosed lagoon, only roughly surveyed.

The sailing directions state that good anchorage can probably be found almost
anywhere in the lagoon, but there does not appear to be any suitable harbour which
could be developed into a base for either large ships or submarines.

It might, however, if surveyed, possibly be used as an anchorage for a large
number of ships.
MARSHALL ISLANDS.

Jaluit Island.—Latitude 5° 55' north, longitude 169° 40' east.

Very imperfectly surveyed.

It is difficult to determine, from the information available, the extent of the anchorage, or the advantage it would offer as a base.

The defence of the known anchorage appears to present considerable difficulty on account of the apparent lack of good gun positions, and the number of entrances to the lagoon which it would probably be necessary to protect.

PELEW ISLANDS.

Malakal Harbour.— Latitude 7° 20' north, longitude 134° 30' east.

A harbour with very narrow entrance suitable as a submarine base, could be easily defended. The surveys are not sufficiently complete to enable an opinion to be formed of its value as a base for large ships.

MARIANA ISLANDS.

Saipan Island.—Latitude 15° 11' north, longitude 145° 41' east.

Tanapag Harbour.—Imperfectly surveyed. A very narrow entrance, which could probably be improved.

Without further information it is impossible to estimate the suitability of this harbour as a submarine base. Water area is about 2 miles by 1 mile.

The entrance could be easily protected, but the harbour itself is open to long-range bombardment over an arc of 180°, against which it is not easy to defend it.

The following table shows the distances from the possible island bases to Hong Kong, Singapore, Port Darwin, Thursday Island, Brisbane, and Sydney:

<table>
<thead>
<tr>
<th>Island</th>
<th>Hong Kong</th>
<th>Singapore</th>
<th>Port Darwin</th>
<th>Thursday Island</th>
<th>Brisbane</th>
<th>Sydney</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yap</td>
<td>1,540</td>
<td>2,220</td>
<td>1,550</td>
<td>1,745</td>
<td>2,760</td>
<td>3,270</td>
</tr>
<tr>
<td>Truk</td>
<td>2,390</td>
<td>3,045</td>
<td>2,115</td>
<td>1,550</td>
<td>2,160</td>
<td>2,670</td>
</tr>
<tr>
<td>Ponape</td>
<td>2,700</td>
<td>3,435</td>
<td>2,475</td>
<td>1,945</td>
<td>2,100</td>
<td>2,610</td>
</tr>
<tr>
<td>Kusie</td>
<td>3,005</td>
<td>3,740</td>
<td>2,665</td>
<td>1,945</td>
<td>2,100</td>
<td>2,610</td>
</tr>
<tr>
<td>Jaluit</td>
<td>3,410</td>
<td>4,100</td>
<td>2,940</td>
<td>2,220</td>
<td>2,160</td>
<td>2,670</td>
</tr>
<tr>
<td>Saipan</td>
<td>3,840</td>
<td>4,570</td>
<td>3,070</td>
<td>2,280</td>
<td>2,720</td>
<td>3,290</td>
</tr>
<tr>
<td>Pelew Island</td>
<td>4,340</td>
<td>5,090</td>
<td>3,913</td>
<td>3,555</td>
<td>2,700</td>
<td>3,270</td>
</tr>
</tbody>
</table>

APPENDIX (C).

MEMORANDUM BY THE COLONIAL OFFICE.

It has been suggested that an attempt should be made by the Committee to define the restrictions which it would be proper to impose on the Japanese trader in the Pacific, because the territorial settlement with Japan might offer an opportunity for making conditions to which we might obtain her consent, and it is thought that a difficult situation might develop if the question were left for solution by the local Governments.

It would not be possible to make any agreement with Japan on such a subject without obtaining the consent of Australia and New Zealand. It is very doubtful whether that consent could be obtained. Neither Australia nor New Zealand have ever been willing to adhere to the Japanese Treaty of 1911, though in 1915 the Japanese Government specially asked that Australia should adhere, and offered a very
definite pledge to restrict emigration (as in fact they have restricted it for many years past in the case of Canada). The matter was discussed with Mr. Hughes when he was in this country early in this year, but nothing resulted from the discussions.

The reluctance of the Australians has been no doubt largely due to their fear of immigration, which, in view of the smooth working of the Japanese control of emigration to Canada, may be exaggerated. But their unwillingness to bind themselves by any treaty to which Japan would not fail to appeal on behalf of her own subjects, also finds a justification in Japanese policy.

The Japanese treaty gives most-favoured-nation treatment, but whereas in this country and in the Empire generally this means a real equality, it is not so in Japan. In Japan—

1. Foreigners cannot own land as private individuals.
2. Foreigners cannot acquire shares in the Bank of Japan, the Yokohama Specie Bank, the Nippon Yusen Kwaisha, and the various agricultural and industrial banks.
3. Foreigners cannot be members or brokers of exchanges.
4. Foreigners cannot become public officials.
5. Foreigners cannot become barristers or notaries.
6. Foreigners cannot own mines or carry on placer mining.
7. Foreigners cannot own Japanese ships or be directors of shipping companies.
8. Foreigners cannot engage in the coasting trade.
9. Foreigners cannot engage in the emigration business either as individuals or shareholders.
10. Foreigners who are labourers cannot, without permission of the executive authority, work or reside outside the limits of the former foreign settlements or mixed residence zones.

Besides this, it is pretty clear that, when the Japanese object to competition, the foreign trader will, in fact, find, as Sir Conyngham Greene observed in one case, that "such difficulties and obstructions would quickly be encountered as would doom his enterprise" to failure. Quite recently the Japanese put so many obstacles in the way of British trade in the Marshall Islands that Messrs. Burns, Philp, and Co. nearly made up their minds to withdraw their steamers from the trade, and the Resident Commissioner of the Gilbert and Ellice Islands assured us that they would withdraw their steamers from the colony itself (exclusive of Ocean Island) if certain trading licences for which Japanese had made application were granted. These licences were, in fact, refused, but the incident illustrates the Australian view of the danger of allowing the Japanese to secure any foothold, and it is fairly certain that any agreement with Japan would be regarded by the Australians as a stepping-stone for further demands.

This view is strongly supported by the action of Japan in regard to other treaties. What she apparently aims at in every case is recognition of complete equality. Thus she is anxious to negotiate a new treaty with regard to the measurement of ships, though the practical advantages which such a treaty could give are, in fact, already given by an Order in Council of 1885.

At present both Australia and the British possessions under the High Commissioner for the Western Pacific are unfettered in their dealings with Japan. No differential legislation against Japan exists, but if the Japanese tries to land in Australia he finds his ignorance of Norwegian or modern Greek a fatal bar to entry. In the Pacific Islands the grant of trading licences is in the hands of imperial officers, whose discretion within the limits of local law, which can be made or unmade by a telegram from the Colonial Office, is unfettered. While nothing substantial is likely to be gained in the Pacific Islands north of the Equator by paper concessions by the Japanese, it is submitted that any agreement made by us to do or not to do certain things south of the line would (even if such an agreement could be made, which is doubtful), by increasing the danger of diplomatic pressure from Japan, be more likely to embarrass than to help us.

(Initialed) H. J. K.
H. L.

Colonial Office, October 10, 1916.
II. - The Pacific.

Australian forces have occupied German New Guinea and the adjacent islands of the Bismarck Archipelago. Nauru, just south of the equator, is in British occupation, but the German islands north of the line (Marshalls and Carolines) are in Japanese occupation. In order to satisfy the aspirations of Australia, who has always resented the intrusion of Germany into what she looks on as a British sphere, it is clear that after the war the territory south of the line must become British. Australia would no doubt wish to have also the remaining German islands, or at least that they should not remain in the possession of Japan, but as it seems impossible to disturb the Japanese she will no doubt acquiesce in their retention by Japan. German Samoa was conquered by forces from New Zealand, and for similar reasons must remain British.

The destination of our conquests in the Pacific leaves therefore little room for doubt. They are not in any way suitable for bargaining with, either with Germany or with our Allies.

The real problem in the Pacific concerns the bargaining which we must undertake with the French. The Condominium in the New Hebrides, which was established in 1906, is a failure, and both on its own account and for the sake of good relations with France (with whom it must, even with the improvements effected just before the war, be a constant cause of friction), it is urgent to get rid of it by the cession of the islands to one party, or by their division.

Division owing to the great extent of French land claims in all the islands would be a difficult and unsatisfactory solution, and it is very doubtful whether it would be possible to buy the French out on any terms which we could consider. In this connection it may be observed that in 1915 when the New Zealand Government proposed that France should cede the New Hebrides in exchange for the Gambian or other territory in Africa, His Majesty's Government refused to hold out any hope that it would be possible to offer to the French Government any concession, territorial or otherwise, which the French would regard as adequate compensation. It remains, therefore, to consider the cession of the islands to France.

Australia and New Zealand have few material interests in the islands, where most of the landed and trading interests are French, but public opinion, especially in Australia is sensitive, and considers that its claims have been overlooked in the past. This latter point was made abundantly clear at the Colonial Conference of 1907, and in 1911 the Commonwealth refused to endorse a suggestion made by the High Commissioner for the Western Pacific, and supported by New Zealand and by the Admiralty, for the exchange of our rights in the New Hebrides for Tahiti. It is essential, therefore, that before any negotiations with France on this subject are begun the consent of the Commonwealth and New Zealand Governments should be obtained to any bargain proposed. Circumstances, however, are changed, and their consent, provided that they are consulted in due time, could probably now be obtained to a bargain by which other territory in the Pacific would be acquired in exchange for our share in the New Hebrides.

The compensation to be received by us must include the Society Islands (Tahiti, &c.) and the Austral Islands (Rapa), which lie just to the east of the Cook Islands, which are administered by New Zealand; but we should certainly ask for all the French possessions to the east of the Cook Islands. Indeed, it is doubtful whether, if the French cede Tahiti and Rapa, they will want to retain the rest. There is some reason to suppose both that the French might be willing to cede, and that Australian opinion would accept, and New Zealand opinion welcome, this solution. In 1906 the French reduced their establishments at Tahiti because the islands were not paying their way, and it was suggested that France contemplated the cession of the island (which was subsequently denied). Australia and New Zealand at
once took alarm, and New Zealand offered to take over the administration of the islands, drawing special attention to the excellent harbour at Raiatea. In 1913 New Zealand, replying to the despatch in which His Majesty's Government informed Ministers of the Conference to be held with the French for revising the New Hebrides Convention (in which it had been made clear that no fundamental change in the position of the islands was then possible), asked that if ever the Condominium should be abandoned “the rights of England in the New Hebrides may be exchanged for the Society Islands and the Island of Rapa.” Australia, however, while insisting on the hopelessness of the Condominium, wished His Majesty's Government to ask the French whether they would consider the question of a transfer of their interests in the New Hebrides to Great Britain, a question which His Majesty's Government promised to put “on a suitable opportunity” which ex hypothec did not then exist. Australia would no doubt still much prefer, if the question were an open one, that the New Hebrides should come under her administration. New Zealand has also recently suggested informally an exchange of Tahiti and Rapa for some of the captured German African territory on the ground of the need for British coaling stations in the Pacific. It is believed that there would be little local opposition to a cession at Tahiti, which before the war did more trade with the British Empire than with France (though it did more with the United States than with either).

In conclusion it may be pointed out that the cession of the French Islands lying between the Cook Islands and Pitcairn Islands in exchange for the New Hebrides, which the French have always looked on as an appendage to New Caledonia, is in the direction of reconstituting our Empires in those “more homogeneous and more coherent groups” to which M. Delcassé referred in his note of the 16th June, 1915, about the provisional division of the Cameroons. It is questionable whether this principle has much value for us, but the French seem to attach importance to it.

* * * * * *

(Initialled) H. J. R.

H. L.

Colonial Office, September 14, 1916.

APPENDIX (E).

RAPA AND MANGA REVA ISLANDS.

Memorandum by the Hydrographer of the Navy.

The importance of Rapa and Manga Reva Islands is now largely accentuated by their position as lying almost on the direct route between Australia and New Zealand and Panama, and it appears probable that the Society Islands, to which they are adjacent, must, in the future, become a centre of considerable importance on the cross-Pacific trade, whether they remain in the possession of the French or eventually become British.

A chart on which are set out the great circle tracks from Sydney, New South Wales, to Panama and from Wellington, New Zealand, to Panama, shows clearly the advantageous situation of the islands in this respect; the difference in relation to either island is hardly appreciable from a practical navigational point of view.

Rapa Island.

Ahurei Bay, which is the only harbour of the Island, is a good anchorage with a narrow entrance, which could be improved considerably; the anchorage, although well protected, is, however, of a very limited extent, and the area actually available for heavy draught vessels is only about half a mile long and about two cables wide. The entrance is open to the eastward and therefore is exposed to the full strength of the south-easterly trade, which is the prevailing wind during the greater part of the year; this is a grave disadvantage, as it would affect the handling of large vessels in entering
or leaving, and would frequently entirely prevent the departure of sailing-vessels and small craft; hurricanes are also occasionally experienced, which appear to be very destructive when they occur. Although nothing is reported on the subject, it is considered possible that the marshy low-lying land at the head of Ahueri Bay may render the anchorage somewhat unhealthy.

The comparative isolation of Rapa Island is a special feature, but whether this increases its importance or not I am not in a position to remark upon.

Manga Reva.

Manga Reva is the easternmost group of the Tuamotu or Low Archipelago, and as the islands lying to the eastward of it are all British, its transference to British sovereignty would not cause it to be an isolated British possession, but would further consolidate our interests in this locality. Admiralty Chart No. 1,112 shows the group, of which the island of Manga Reva is by far the largest, being nearly 5 miles in its extreme length; to the eastward of this island is a considerable area where anchorage for a large number of heavy draught vessels could easily be arranged, although the depths are somewhat great; at present no vessel of greater draught than 12 feet can enter, so far as is known, owing to the coral bar situated on its south side. This bar is, however, very narrow at its western end, and could readily be deepened to admit heavy draught vessels, as has recently been done at Papiete, in Tahiti, in which case much greater natural difficulties existed.

The anchorage is well protected from sea disturbance by the outlying coral reefs, and the safety of its approach would not be interfered with in any way in this respect. A temporary anchorage for large vessels is recommended inside the outer bar of the north-west passage with good shelter from the south-east trade and sea.

The general configuration of the land, i.e., the absence of any land-locked harbours, would appear to render the conditions of climate generally healthy.

The state of the existing survey is not at all satisfactory, and a detailed survey of the whole group would be at once necessary if it passed into British possession, but it is considered that a safe deep-water approach channel to this anchorage from outside would almost certainly be found, and the conditions so far as can be judged are distinctly promising.

In conclusion, as regards the comparative merits of these islands with a view to either of them becoming a British possession, it is considered that Manga Reva's advantages considerably outweigh those of Rapa Island.

J. P. PARRY, Hydrographer.

October 28, 1916.

Note.—In view of the above memorandum it seems desirable to obtain possession of both islands if possible; but if only one can be obtained the choice should fall on Manga Reva.

A. K. W.

October 28, 1916.

The above memorandum should be read in conjunction with a further memorandum by the Hydrographer of the Navy, dated the 27th November, 1916 (Paper No. T.C. -25), and entitled “Harbours in French Possessions in the Eastern Pacific other than Manga Reva and Rapa,” and the Admiralty note thereon.

(Initialled) M. P. A. H.

2, Whitehall Gardens,
December 5, 1916.
APPENDIX (F).

MEMORANDUM BY THE HYDROGRAPHER OF THE NAVY, WITH PREFATORY REMARKS BY THE ADMIRALTY.

[These Remarks, and the Memorandum which follows, should be read in conjunction with a previous Memorandum by the Hydrographer (Paper No. T.C.-17).]

THE Hydrographer has submitted the following Memorandum on the harbours in the rest of the islands in French possession in this part of the Pacific (including Papieté, the principal harbour of Tahiti) in case the French were disposed to part with the whole or any of them.

From this Memorandum it would appear that if the whole group were turned over to Great Britain, Papieté would probably be retained as the principal harbour; and it is improbable that the French would be willing to surrender Bora Bora to us, while retaining Tahiti themselves, as it would be establishing a rival port in such close proximity to their own.

MEMORANDUM ON HARBOURS IN FRENCH POSSESSION IN THE EASTERN PACIFIC OTHER THAN THOSE IN THE ISLANDS OF MANGA REVA AND RAPA.

1. Tubuai or Austral Islands.
   No harbours of any description exist in this group.

2. Society Islands.
   Tahiti (Papieté Harbour).
   The anchorage available for heavy draught vessels in Papieté Harbour extends approximately over an area of about 1½ miles in length, with a general width of about ½ mile, but the best portion is about a mile in length with good holding ground of sand and mud; the general depths throughout vary from 9 to 15 fathoms.
   The anchorage has excellent protection from the ocean swell, as the barrier reef which forms the seaward side of the harbour has only a very narrow passage through it; it is convenient as an anchorage, but has the disadvantage of being very hot, being situated on the leeward side of the island.
   The passage leading through the reef into the harbour has recently been dredged to a depth of 36 feet, but it is proposed shortly to increase this very considerably.
   Owing to the rapid increase in depth at a short distance from the shore of the harbour, the provision of good wharf accommodation would appear to be an easy matter.
   Papieté is the seat of the Government of all the French possessions in the Eastern Pacific.
   The chart of Papieté Harbour* and the general chart of Tahiti are attached for information.

Bora Bora.
   A very fine natural harbour is situated on the western side of Bora Bora Island, one of the north-western islands of the Society Islands, and distant about 140 miles from Tahiti; this harbour has excellent anchorage of good area with an entrance carrying 33 feet of water; the holding ground is good, the general depths being from 14 to 17 fathoms; this harbour is superior to any of those under discussion, being on the whole better even than Papieté in Tahiti; the island, on the other hand, is much smaller than Tahiti, and is believed to be considerably less fertile.

3. The Tuamotu or Low Archipelago.
   These islands are almost entirely atoll formations, and no harbours suitable for

* Not reproduced, but available for inspection by the Committee.
ships are known of among them, although it is possible that anchorages might be found if surveys were carried out; none of the islands, however, would be suitable for occupation as a permanent base.

4. The Marquesas Islands.

The island of Nukuhiva, in the northern part of this group, is the only one possessing anchorages worthy of mention; these are in Comptroller Bay and Anna Maria Bay on its south side, and Anaaho Bay on the northern side, the largest of these being that in Comptroller Bay, but none of them are really suitable for permanent purposes, being all more or less open to seaward.

5. General Remarks.

This summary therefore practically only adds the harbours of Papiete and Bora Bora, in the Society Islands, to those previously considered.

If the entire group of the Society Islands, however, should be transferred to Great Britain, there appears little doubt that Papiete would be retained as their principal harbour. It would appear extremely doubtful if any transfer of a portion only of this group is likely to be considered; if this, however, is possible, Bora Bora would provide a valuable harbour.

The attached chart cutting, enclosure (A),* shows the Great Circle tracks between Panama and Sydney, N.S.W., and Wellington, N.Z., via Tahiti, with the distances by those routes compared with the direct Great Circle tracks, from which it will be seen that Tahiti is most advantageously situated in relation to the direct route from Sydney, the difference in distance via Tahiti being only 122 miles; the difference between the distances by direct route, and that via Tahiti, with reference to Wellington, is greater than in the case of Sydney, being 351 miles, which practically adds one day's steaming.

Enclosure (B)* is a portion of a chart showing all the islands now under discussion, with the Great Circle tracks referred to; this shows clearly an important point which should be considered with reference to the situation of Tahiti and Manga Reva on the route between Panama and Australia and New Zealand, viz., that the approach to Manga Reva from both directions is comparatively clear of dangers, while the route to Tahiti from the eastward passes through the numerous islands of the Low Archipelago; this therefore means that both in the immediate approach to Tahiti from the eastward, as well as after leaving it when bound for Panama, the dangers of navigation through the Low Archipelago render this route a matter of considerably more difficult navigation than is the case in respect of the route to and from Manga Reva.

J. F. PARRY, Hydrographer.

December 3, 1916.

APPENDIX (G).

Note by the Colonial Office.

THE New Hebrides Islands, which now include, for administrative purposes, the Banke and Torres groups, lie between latitude 13° 0', 20° 15' south; and longitude 166° 30' and 170° 15' east. Altogether there are about eighty islands, of which about fifty are inhabited.

The total area of the three groups is approximately 5,000 square miles.

The names of the largest islands are:

<table>
<thead>
<tr>
<th>Island</th>
<th>Sq. miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santo</td>
<td>1,397</td>
</tr>
<tr>
<td>Malekula</td>
<td>775</td>
</tr>
<tr>
<td>Eto</td>
<td>335</td>
</tr>
<tr>
<td>Erromanga</td>
<td>320</td>
</tr>
<tr>
<td>Ambrya</td>
<td>225</td>
</tr>
<tr>
<td>Tanna</td>
<td>180</td>
</tr>
<tr>
<td>Pentecost</td>
<td>175</td>
</tr>
<tr>
<td>Epi</td>
<td>175</td>
</tr>
<tr>
<td>Aoba</td>
<td>125</td>
</tr>
<tr>
<td>Aurora</td>
<td>118</td>
</tr>
<tr>
<td>Gana</td>
<td>110</td>
</tr>
<tr>
<td>Vauxa Lava</td>
<td>100</td>
</tr>
<tr>
<td>Malo</td>
<td>70</td>
</tr>
<tr>
<td>Aneityum</td>
<td>65</td>
</tr>
</tbody>
</table>

* Not reproduced, but available for inspection by the Committee.
Vila, on the island of Efate, is the seat of the Condominium Government.

The European population of the islands is estimated as: British 300, French 700, other Europeans 100, distributed principally through the islands Efate, Santo, Malo, Malekula, Epi, Ambrym, Pentecost, Aoba, Vana Lava, and Tanna.

The native population is estimated to have been 64,555 on the 1st January, 1910; of this number 10,000 are on Santo and Malo, 9,000 on Malekula, and 7,700 on Ambrym, and 7,000 on Tanna.

The principal exports are copra, maize, coffee, cocoa, and cotton.

The figures for the year 1914 were:

<table>
<thead>
<tr>
<th>Product</th>
<th>Kilograms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copra</td>
<td>3,333,523</td>
</tr>
<tr>
<td>Maize</td>
<td>465,937</td>
</tr>
<tr>
<td>Coffee</td>
<td>150,520</td>
</tr>
<tr>
<td>Cocoa</td>
<td>44,108</td>
</tr>
<tr>
<td>Cotton</td>
<td>691,283</td>
</tr>
<tr>
<td>Sandalwood</td>
<td>162,732</td>
</tr>
</tbody>
</table>

N.B.—The above information is taken from particulars contained in a report issued by a Commission appointed by the Government of the Commonwealth of Australia which visited the New Hebrides in 1915.

French Possessions in Oceania other than New Caledonia and the New Hebrides.

These consist of a very large number of small islands all lying south of the Equator, to the east of the Cook Islands and to the west of Pitoaia.

The Society Islands, which contain the capital Papeete on the island of Tahiti and the island of Raituea, lie nearest to the Cook Islands, and the Archipelago stretches away to the west in an infinite number of islands ending in the Tuamotu (or Paumotu) or Loye Archipelago, in which is included the Gambier group with Mangareva.

Down to the south lie the Tubuai or Austral Islands with Rapa, and to the north lie the Marquesas.

The following figures are taken from the "Statesman's Year Book," and show the area and population of some of the islands:

<table>
<thead>
<tr>
<th>Name of Island or Group</th>
<th>Area in Square Kilom.</th>
<th>Population</th>
<th>Density in Square Kilom.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Society Islands—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tahiti</td>
<td>1,944</td>
<td>16,691</td>
<td>10.7</td>
</tr>
<tr>
<td>Moorea</td>
<td>120</td>
<td>1,604</td>
<td>12.9</td>
</tr>
<tr>
<td>Huahine</td>
<td></td>
<td>5,872</td>
<td></td>
</tr>
<tr>
<td>Raiatea and Tahaa</td>
<td>5,872</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bora-Bora-Maupiti</td>
<td></td>
<td>1,348</td>
<td>2.6</td>
</tr>
<tr>
<td>Tuamotu Group</td>
<td>855</td>
<td>3,828</td>
<td>4.5</td>
</tr>
<tr>
<td>Gambier Group (including Mangareva)</td>
<td>16</td>
<td>1,632</td>
<td>96.2</td>
</tr>
<tr>
<td>Tubuai or Austral Group (including Rapa), contain Marquesas Islands (including Nuka-hiva and Hiva-oha)</td>
<td>297</td>
<td>8,350</td>
<td>28.6</td>
</tr>
</tbody>
</table>

The total area of all the above groups is estimated at 3,940 square kilom. (1,820 square miles), and their population in December 1911 at 31,477, of whom 28,219 were natives.

The most important of the islands is Tahiti, whose chief town Papeete has 3,617 inhabitants.

The total imports of the Society Islands were in 1913 361,218L., and in 1914 337,678L., and the exports were in 1913 462,180L., and in 1914 340,718L.

The chief exports are copra, mother-of-pearl, vanilla, coconuts, and oranges. The countries which participated in the exports in 1914 were United States 178,740L., France and colonies 71,626L., Australasia 41,912L., United Kingdom 19,782L., Germany 311L., and other countries 28,338L.
COMMITTEE OF IMPERIAL DEFENCE.

Sub-Committee on Territorial Changes.

Second Interim Report.

2, Whitehall Gardens, S.W.,
March 22, 1917.
TERMS OF REFERENCE.

The Prime Minister desires that an Interdepartmental Committee, constituted as a Sub-Committee of the Committee of Imperial Defence, and composed as follows:—

The Right Hon. Sir Louis Mallet, G.C.M.G., C.B. (Chairman),
Sir W. G. Tyrrell, K.C.M.G., C.B., Foreign Office,
Mr. G. R. Clerk, C.B., C.M.G., Foreign Office,
Mr. H. J. Read, C.B., C.M.G., Colonial Office,
Mr. C. Strachey, Colonial Office,
Mr. H. C. M. Lambert, C.B., Colonial Office,
Sir T. W. Holderness, K.C.B., K.C.S.I., India Office,
The Right Hon. the Lord Islington, G.C.M.G., D.S.O., India Office,
†Major-General G. M. W. Macdonogh, C.B., War Office,
Major-General F. B. Maurice, C.B., War Office,
Admiral of the Fleet Sir A. K. Wilson, G.C.B., O.M., G.C.V.O., V.C., Admiralty,
Mr. W. F. Nicholson, C.B., Admiralty,
Sir H. Llewellyn Smith, K.C.B., Board of Trade,
Mr. H. Fountain, C.M.G., Board of Trade,
Mr. Percy Ashley, Board of Trade,

Lieutenant-Colonel Sir M. P. A. Hankey, K.C.B. (Secretary),
An Assistant Secretary from the Committee of Imperial Defence,
should meet to consider:—

The question of territorial changes in Africa and elsewhere outside Europe which may be expected to follow as a result of the war, and which have not, so far, been considered by His Majesty's Government, or which are not being dealt with otherwise, as proposed in the Foreign Office letter, dated the 8th August, 1916, attached herewith.

2, Whitehall Gardens, S.W.,
August 27, 1916.

* Became a member of the Sub-Committee on February 15, 1917.
† Since created K.C.M.G.
Conquest of the German Colonies in Africa.

1. OPERATIONS against the German dependencies in Africa were, for the most part originally conceived with a strictly limited objective in view, such, for example, as the destruction of the important wireless installation at Kamina, in Togoland, the occupation of Buea and the port of Duala in the Cameroons, or the occupation of Tanga, in German East Africa, an operation primarily intended to protect the Uganda Railway and our own East African Protectorate. Eventually, in every case, the scope of the operations was enlarged by the force of circumstances, and the conquest of the German Colony itself became the objective. In the case of German South-West Africa, however, the destruction of the wireless station at Windhuk was an objective which, from the outset, necessitated the defeat of the enemy’s forces in the Colony (see Appendix (A)).

2. Operations against German South-West Africa were begun in September 1914, but were largely in suspense from the middle of October till early in January 1915, owing to the necessity of suppressing the rebellion in the South African Union. The actual campaign in South-West Africa involved the overcoming of considerable natural difficulties, as well as the defeat of some 8,000–10,000 enemy troops well supplied with ammunition, some artillery, and many machine guns. Under the circumstances, the completion of the conquest of the Colony by the final surrender of the enemy forces in July 1915 was a considerable achievement on the part of General Botha, who commanded the Union forces. These amounted to a maximum strength at any one time of 38,000–40,000 men, exclusive of native and Cape Boy auxiliary personnel, composed of English and Dutch South Africans in almost exactly equal proportions. Imperial assistance was limited to the provision of transport by sea, some Naval, Royal Marine, and Royal Garrison Artillery, and a certain amount of material. Rhodesia furnished an infantry battalion.

3. The unconditional surrender of the German forces in Togoland and the destruction of the powerful long-distance wireless station at Kamina were effected in a vigorous campaign lasting only a fortnight (12th-26th August, 1914). The British force consisted of some 2,500 West African troops under British officers, assisted by a small French contingent. In the Cameroons the operations, which began in September 1914, proved of much greater difficulty and duration. The Germans made a most determined resistance till February 1916, when the remnant of their forces finally retired into the adjoining Spanish territory. The maximum forces engaged at any one time consisted of over 6,500 Imperial and Colonial troops (mostly black, but including an Indian battalion and sundry Naval and Royal Marine details), about 8,000 French African troops, and a small contingent from the Belgian Congo.

4. In German East Africa a really formidable resistance was encountered, and has not yet been crushed. The preparations originally made by the Indian and Imperial Governments were quite inadequate, and ended in failure. It was not till much larger forces were sent out early in 1916 that British East Africa was relieved from the menace of invasion. The native Askaris, about 18,000 strong, have, under German discipline, proved most effective fighters, and even now are still stubbornly contesting the southern portion of the territory. The maximum strength of the force under General Smuts’s command has been nearly 70,000 men, exclusive of an equal number of native carriers and of some 12,500 Belgian troops. The bulk of the 15,000 or more white troops employed have been furnished by the South African Union. India
provided about twenty battalions of regular and Imperial service troops, as well as
detachments of other arms, mostly Mahommedan troops unsuited for employment
against the Turks in Mesopotamia or Egypt, while about twenty black battalions have
been provided locally or sent from West Africa.

5. The East African and South-West African campaigns also absorbed a very
considerable volume of shipping. The total number of ships employed in carrying
troops, animals, and stores to East Africa from the United Kingdom, West Africa, and
South Africa was sixty, of a gross tonnage of about 360,000 tons, many of which did
several journeys. This figure is exclusive of forty-five colliers, carrying about
250,000 tons of coal, and of the ships sent from India. The aggregate figures for
these last are not available, but the tonnage employed at certain dates was as follows:
December 1915, about 25,000 tons; April 1916, about 39,500 tons; February 1917,
11,500 tons. For the South-West African campaign about 30,000 fighting troops,
largely mounted, and a corresponding proportion of transport and transport personnel
were sent by sea to Lüderitzbucht and Swakopmund.

Military and Political Objections to the Restoration of the Colonies to Germany.

6. It is clear from the above brief summary of the operations that the German
colonies did not fall into our possession automatically as the consequence of our
command of the sea, but involved a serious military effort on the part of the British
Empire and its Allies. The total of British Regular troops employed has, it is true,
been very small, though, no doubt, a considerable proportion of the South African
forces engaged in South-West Africa might have volunteered for general service,
while the rest of the forces comprised elements which have been usefully employed in
minor theatres of war, or for secondary purposes. Even admitting that the direct
drain upon the first-class fighting material available for major operations has been
relatively small, the total strain on our organisating power and our resources in ships,
material, and labour has been by no means inconsiderable (see Appendices (A) and (B)).

7. Nor can it be said that it would have been safe, either for political or military
reasons, to have left the German Colonies alone. In this connection it is impossible
to leave out of account the intimate bearing of the presence of Germany, as a Great
Power and a potential enemy of the British Empire, in immediate proximity to the South
African Union, upon the disloyal element in the Union (see Appendix (B)). The leaders
of the recent rebellion were undoubtedly in direct communication with the German
authorities, and the rebels generally looked to Germany for support in their attempt
to set up an independent republic. The rapidity with which the rebellion was
suppressed, and the brilliant success of General Botha's South-West African
campaign, should not obscure from our view the danger with which the whole fabric of
the British position in South Africa was menaced. In East Africa, again, it was
British and not German territory that was in danger of being overrun and conquered,
until the British Government was perforce obliged to divert to this theatre of war
troops and shipping to an extent which has proved by no means an insupportable
strain upon our resources. The Cameroon campaign, too, looked up a force of
15,000 men for a year and a half. From the German point of view, indeed, the
operations in Africa can only be regarded as a military diversion of the most
successful character, in which very limited German forces, cut off from all hope of
support, have detained far larger Allied forces—in the case of East Africa—for over
two and a half years.

8. The attention of the Committee has been drawn by the Admiralty to the fact
that the German bases in Africa added very much to our difficulty in disposing of
German cruisers, and that the "Königsberg" managed to keep a considerable number
of cruisers watching her for nine months by sheltering in an East African river. The
German wireless station at Kamina, in Togoland, though destroyed by us before the
end of August 1914, had already rendered the very greatest service to German
shipping in the opening days of the war (see Appendix (B)).

9. The Committee consider that the German Colonies have cost the Empire such
appreciable sacrifices, and have involved so prolonged a diversion of effort from the
main theatre of war, that it is clearly undesirable to risk incurring similar sacrifices
and difficulties in the conceivable event of another war. They are, moreover, of
opinion that the military disadvantages likely to arise from the re-establishment of Germany in these Colonies would be much more serious in the future than they have proved in this war. The Germans had not made any very serious preparations in these Colonies for a war with England when they precipitated the war in Europe, nor had they any experience of the effectiveness of the long-range submarine. It is probable that, if the German Colonies were restored, they would be much more effectively organised from the military point of view. Duala in the Cameroons, and one of the East African ports, would be equipped as powerful submarine bases, and the immunity which we have so far enjoyed in the South Atlantic and Indian Oceans would be at an end.

10. In a competition of armaments the British system of colonial government, with its consideration for the rights and wishes of the natives, and with its reluctance to face large expenditure on grants in aid, would be at a disadvantage confronted with the German system, based on a much greater readiness to spend money for ulterior economic or military ends, and a more systematic and ruthless utilisation of the human material which it may control. The development of the resources of our tropical Empire should be a most important factor in that general increase of productive power in the British Empire upon which we shall have to rely to make good the wastage involved in the war. But that object will be frustrated if the military drain upon these Colonies both arrests the development and swallows up its results.

11. The Committee also feel that they cannot ignore the very serious objections to the retransfer of the natives of the occupied territories to German rule, both on general humanitarian grounds and on the more particular ground of the relations which have been developed with the natives since our occupation. In almost every case our advent has been welcomed, and the natives have consistently stood by us since. In Togoland, for instance, chiefs and people voluntarily brought in and surrendered the rifles with which the Germans had supplied them to resist our advance. According to information supplied by the Governor of the Gold Coast the cultivated area in the portion of Togoland in British occupation has increased some 30 per cent. since the expulsion of the Germans, an increase which he attributes mainly to the greater confidence of the natives in the British administration. In East Africa many of the surrendered German Askaris have enlisted in the British forces. To hand back these people to their former masters would be to inflict a severe blow to our reputation for good faith and loyalty. Nor is it possible, in countries where our rule depends to so large an extent on prestige as in Nigeria or British East Africa, to overlook the damaging effect which the retrocession of the German Colonies would have in the eyes of our own native subjects (see Appendices (B), (F), and (G)).

General Advantages of Retaining the German Colonies.

12. Apart from the strong military and other objections already mentioned to restoring the African Colonies to Germany, it may be pointed out that their retention would secure the improvement of our territorial frontiers in Africa, the improvement of the internal communications of the Empire, and an addition to its economic resources.

13. The annexation of German South-West Africa would substitute a land frontier of 760 miles with the Portuguese for a frontier of 1,400 miles with the Germans, and give the whole of British South Africa a more compact shape, better suited for defence and for economic development. The annexation of German East Africa would eliminate an indefensible frontier of 550 miles in immediate proximity to our main artery of communications in British East Africa, as well as the present frontier of 200 miles between German territory and Rhodesia, and replace them by a more natural frontier, the total length of which, not reckoning some 550 miles of Lakes Tanganyika and Nyasa, is only 600 miles. (This is on the assumption that Belgium would not retain any of the German East African territory of which she is at present in military occupation.) Here again the new frontiers would be entirely with unaggressive States like Portugal and Belgium. These changes in the strategico-political configuration of our African territories would, in the opinion of the Committee, naturally facilitate the peaceful development of their resources.

14. The retention of German East Africa would secure continuous British territory from the Cape to Cairo. This continuity might, moreover, prove valuable [338] C
at some future date by permitting the construction of railway lines linking up into a single system the different radial lines connecting the interior with the coast. The economic and administrative advantages of securing this continuity would be considerable. But the Committee wish more particularly, in view of the experience of the present war, to lay stress on the military importance of linking up the different portions of the British Empire by railway, wherever possible.

15. The economic resources of the German Colonies in Africa, both agricultural and mineral, are also appreciable and capable of considerable development (see General Appendix). Statistics of the trade of the German colonies in Africa, together with an account of the various tariff systems in force in the European possessions in Africa, will be found in a memorandum prepared by the Board of Trade (General Appendix). The Committee hope to present their recommendations as to the economic policy to be pursued with regard to Equatorial Africa when they have received from the Law Officers of the Crown a report as to the precise position of the Berlin Act at the conclusion of the war.

German South-West Africa.

16. The considerations of a general geographical and strategic character, which make it desirable to retain German South-West Africa, have been indicated. South-West Africa is not comparable to East Africa in agricultural possibilities, though its mineral wealth is probably very considerable. Its general characteristics resemble those of the adjoining territories of the South African Union, and its incorporation in the Union would be the natural sequel to its annexation, even in the absence of the political reasons which put any other solution out of court.

17. The conquest of German South-West Africa was almost entirely the achievement of the South African Union forces. To refuse South Africa the natural reward of her efforts, and to imagine that she would be satisfied by gains secured for the Empire in some other part of the world, would be to ignore completely the part which local patriotism and local pride play in Imperial affairs.

18. But the conquest of German South-West Africa was also an internal victory over the forces which provoked the South African rebellion, and which are still a disturbing element in the life of South Africa. The retention and development of South-West Africa would be the final justification of General Botha's and General Smuts's policy in the eyes of the majority of their compatriots. Its restoration to the Germans would be their condemnation and the vindication of the rebels. The result would be a situation fatal to the peace of South Africa, and one of which Germany, reinstated as a source of supply and a rallying point for all the disloyal elements in the Union, would take the fullest advantage (see Appendix (B)).

German East Africa.

19. In addition to the general arguments of a strategical and geographical character, which have been referred to in previous paragraphs as making desirable the incorporation of German East Africa in the British Empire, the Committee further desire to point out that this incorporation may make it possible, if hereafter desired, to treat the whole of the great region between the southern frontier of Abyssinia and the Sudan to the future northern frontier of the South African Union (whether fixed at the Zambezi or further north) as a single administrative area. This larger British East Africa has certain general characteristics differentiating it both from the South African Union and from a purely black man's country like the Sudan or West Africa. It is not likely to become a white man's country, even in the sense in which that expression is used of South Africa. But it is a country which is capable of containing, in the more bracing uplands, a considerable settled element of white farmers, owners of plantations, and directors of industry. It is also a country peculiarly suited, by its climate, economic conditions, and convenience of access, to Indian immigration. The Committee have taken note of the strong representations made by the Government of India for the recognition of India's claim to colonisation rights in this region. They are of opinion that the provision of some field for expansion within the British Empire cannot be legitimately denied to the population of India, and that the social
and economic reasons which are advanced to justify the exclusion of Indian immigrants from the self-governing Dominions do not apply to the case of East Africa (see Appendix (B)).

20. German East Africa is naturally the richest of the German possessions. It has a native population of 7,600,000 (1913 figures), abundant rainfall, a good soil, and very considerable mineral resources. Gold, mica, coal, iron ore, and lake soda are among the minerals which are already worked or known to exist in workable quantities. Of the agricultural products of the country copra, cotton, rubber, coffee, sisal, sugar-cane, rice, maize, and ground-nuts are all capable of great development, while there is a large field for successful sheep and cattle raising in the uplands. In all these respects a great deal of useful experimental and pioneer work has been done by the Germans, the benefit of which will be reaped by their successors. The country has also been equipped by them with much of the necessary plant of civilisation in the shape of good harbours, public buildings, and roads. There are two railways open for traffic. The Central Railway, 777 miles in length, links up the coast with Lake Tanganyika. The Usambara Railway, 219 miles long, opens up the region between Tanga and Mount Kilimanjaro.

21. The importance of the considerations in favour of the retention of German East Africa is clearly realised in South Africa, which is directly interested in the question of the continuity of British territory in Africa, and which has played so large a part in the conquest of the country. Its retrocession would create profound disappointment in the Union. It would be even more keenly resented by the white community of British East Africa, which in proportion to its numbers and resources has made the very greatest sacrifices in connection with the war, and has contributed a very material share to the work of overcoming the German resistance. In India, whose troops have also played their part in this theatre of war, the effect of the reinstatement of Germany would likewise be very unfortunate (see Appendix (B)).

22. In dealing with the future of German East Africa the Committee consider that any claims that Belgium may have acquired in virtue of the military operations of her forces in this region should be met otherwise than by a permanent incorporation of any portion of German East Africa in the Belgian Congo. Neither from the point of view of administration or of economic development, nor from the point of view of the welfare of the natives themselves (see Appendix (F)), is it desirable that this region should be divorced from the rest of the territory to which it naturally belongs, and attached as an unnatural projection of the Belgian Congo.

23. The Portuguese have asked for a small rectification of the southern border, which would give them the right bank of the River Rovuma to its mouth. The Committee consider that more precise information should be secured as to the value of the portion of German territory which lies south of the Rovuma, before it can pronounce an opinion on this point.

The Cameroons.

24. Next to German East Africa the Cameroons are economically the most important German possession. Cocoa, rubber, and palm oil are already produced in considerable quantities, and there are great possibilities for the development of many kinds of tropical product. From the point of view of political and strategical geography their retention is much less important to ourselves than to the French, for whom it would mean a great improvement in the configuration of their territories to the north of the Congo. Duala is the natural port for the future development, not only of the Cameroons, but of the French territory further east, viz., Ubangi and Wadai. Its great possibilities as a naval base would, no doubt, make its inclusion in British territory very advantageous. But the French declared, at the time of the provisional partition in 1915, that they regarded its possession as essential and as a matter on which there could be no compromise, and this presumably represents their view as to the permanent settlement. Nor is it easy to see on what grounds we can assert a claim to Duala unless we are also prepared to extend it to the back country for which it is the natural port of entry.
25. The provisional partition gives us a strip of mountainous country containing some valuable plantations and potential hill stations, and should include in British territory the whole of the dominions of the Sultan of Bornu. But a revision, in minor details, of that partition is certainly desirable, more particularly in the latter respect. It is evident, however, that the French mean to retain substantially what they now hold, looking upon it as an offset to what we have secured in East Africa and South-West Africa. On the other hand, if the relative share in the actual military operations is considered, we should be entitled to half, rather than to one-sixth, of the captured Colony—or, indeed, even more, if we chose to lay stress on the fact that the operations could never have taken place at all but for the British command of the sea. The Committee consider that, while we may be prepared to acquiesce in the French intention to retain the whole of the area which they now occupy in the Cameroons, the provisional nature of the partition should be postulated, in order, if possible, to secure some quid pro quo elsewhere in return for our eventual acquiescence in its becoming permanent (see Appendices (B), (C), and (D)).

Togoland.

26. The situation in Togoland is in many respects similar to that in the Cameroons. In this case the French, who only played a very small part in the conquest of the Colony, provisionally occupy nearly two-thirds of its area. We, on the other hand, hold the port of Lome and control the railway system, and are in a much better position for bargaining than in the Cameroons. Our own immediate administrative interests in the adjoining Gold Coast would be met by a rectification of frontier which would include in British territory the whole of the Awuna, Peki, and Dagomba tribes, at present cut in two by a frontier line indefensible from the point of view either of justice to the natives or of efficient administration. The Committee are of opinion that, subject to this rectification, the disposal of the future of Togoland as between British and French should be left as a matter for subsequent bargaining.

An Unsatisfactory Peace.

27. Taking into account all the reasons given above, the Committee are definitely of opinion that, in the event of a conclusion to the war which will enable the Allies, if they wish it, to insist upon retaining the African Colonies, none of these Colonies should be given back to Germany. But in view of the terms of their reference, the Committee feel obliged to consider what are the most vital territories to retain if a partial surrender of the Allied conquests becomes inevitable.

28. The Committee are convinced that the retrocession of German South-West Africa is, for the political reasons already given, absolutely impossible. The political objections to the restoration of German East Africa are hardly less strong, irrespective of considerations of a geographical and strategic character which make its retention a matter of great importance to the cohesion of the British territories in Africa and to the security of our shipping in the whole Indian Ocean. The restoration of the Cameroons would be a serious blow to French plans of reorganising their territories in this region, while for us it would involve the menace of a German naval base at Dunia.

29. If any territory has to be restored the Committee recommend, as far as British interests are concerned, that it should be, in the first instance, Togoland, subject to the rectification of frontier previously referred to; and secondly, the Cameroons. In the latter case France would, however, probably stipulate for the recovery of the areas ceded by her to Germany in 1911. How far any such arrangement would involve an obligation on our part to compensate France elsewhere, either in territory or in remission of a portion of her indebtedness to us, would depend on a balancing of the assets acquired by each of the partners over the whole field of the war.

30. If the situation at the end of the war is so unsatisfactory that even these concessions are insufficient, it might then be necessary to face the possibility of having to surrender the south-eastern portion of German East Africa, including the ports of Lindi and Kilwa, and, if it came to the worst, Dar-es-Salam. The frontier of the reduced Germany Colony would in that event run north-eastwards from the head of Lake Nyasa and then eastwards to the coast, leaving intact a broad belt of continuous British territory between Rhodesia and British East Africa. Even if the Central
Railway could not be retained in its entirety, we should at any rate retain the Usambara line and secure the Uganda Railway from any danger of immediate attack across the frontier. These are, of course, only rough indications; definite suggestions for alternative frontiers in such a contingency could only be put forward with much fuller detailed information than is at present available to the Committee, and after consultation with men of local knowledge. If, however, the Germans were in a position to insist on more, we should at any rate aim at retaining a strip of continuous territory between the present Belgian frontier and a line drawn between Lake Victoria and the head of Lake Nyasa (see Appendix (II)).

31. In making their recommendations the Committee have, in accordance with the terms of their reference, confined themselves to the consideration of the German African Colonies taken by themselves. They have not attempted to weigh the relative desirability of retaining any or all of these Colonies as compared with other objectives of British and Allied policy in Europe and elsewhere, and they recognise that their conclusions are necessarily provisional, in so far as they are liable to eventual modification in the light of other considerations not here discussed, or of the general policy of the Allies at the conclusion of the war.

(Signed) LOUIS MALLET (Chairman).
W. TYRRELL.
GEORGE CLERK.
A. HENRY McMAHON.
H. J. READ.
HENRY LAMBERT.
CHARLES STRACHEY.
T. W. HOLDERNESS.
ISLINGTON.
G. M. W. MACDONOGH.
F. MAURICE.
A. K. WILSON.
W. F. NICHOLSON.
H. LLEWELLYN SMITH.
H. FOUNTAIN.
PERCY ASHLEY.

2, Whitehall Gardens, S.W.,
March 22, 1917.
APPENDIX (A).

MEMORANDUM BY THE WAR OFFICE.

Brief Summary of Colonial Campaigns in the Present War.

I. German South-West Africa.

OPERATIONS were considered on the 5th August by a sub-committee of the Committee of Imperial Defence under the chairmanship of Admiral Sir H. B. Jackson. It was decided that the destruction of the wireless installations on the coast, at Luderitzbucht and Swakopmund, was essential. On the 9th August, however, the project for operations was extended to include destruction of the newly completed and powerful long-distance German wireless installation at Windhuk, an important link in the German chain. This latter objective involved nothing less than the complete conquest of the colony.

On the 10th August the Union Government notified its willingness to co-operate and to undertake the land operations necessary, the Imperial Navy furnishing all the naval assistance required. On the 20th September Union forces disembarked at, and occupied, the German port of Luderitzbucht.

On the 15th September the Union officers, Generals Beyers and Kemp, resigned, and published a disloyal manifesto in the Hertzogite press. The treasonable dealings of Colonel Maritz and other Union officers became evident soon after, and portions of the Union forces on the borders joined the enemy. Before the end of October rebellion became general throughout the Northern Free State and Western Transvaal. Preparations for the campaign in German South-West Africa were greatly retarded, and changes of plan were necessary. By the 11th January, 1915, the rebellion was crushed and the leaders were in custody or disposed of.

Early in January the final design of the plan for the invasion of the German colony took shape as follows:

(a.) A northern force, to disembark at Swakopmund, strength about 20,000, of whom 15,000 mobile.

(b.) A central force, portion already disembarked at Luderitzbucht, strength about 10,000, mainly mounted.

(c.) A southern force, on the Orange River, strength about 6,000, mainly mounted.

(d.) An eastern force, to enter German territory on the east at Rietfontein, strength about 2,000, mainly mounted.

The Germans placed some 8,000–10,000 men in the field, well supplied with ammunition, some artillery, and many machine guns; also some aeroplanes. In spite of the great natural difficulties of the country, owing to the vast distances to be traversed and the lack of water, the greater mobility of the British forces rendered German resistance hopeless, and the principal strategic centres of the country were occupied with comparative ease.

On the 12th May our troops entered Windhuk, the German forces and Government retreating north to the border of Ovamboland, after having first violated Portuguese territory and engaged in hostilities with the Portuguese troops. On the 9th July, 1915, the surrender of the German forces and of the colony was accepted by General Botha.

The troops engaged consisted of permanent and specially raised units of the South African Union forces, of Burgisher Commandos, of a Rhodesian battalion, and of a few Naval, Royal Marine, Royal Garrison Artillery, and Army Service Corps details. The maximum strength at any one time was 38,000–40,000 exclusive of a large establishment of native and Cape coloured transport drivers. The English- and Dutch-speaking
elements in the force were in almost exactly equal proportions. This campaign in no way affected operations in the main theatres. The Dutch would not, in any case, have volunteered for service in any other theatre, and it is doubtful if any large number of the English-speaking element would have done so.

2. Togoland.

On the 5th August, 1914, the German Governor of Togoland advanced a proposal for the neutrality of his territory, which was refused. On the 9th August instructions were issued by the Secretary of State for the Colonies to the Governor of the Gold Coast for military co-operation with the French troops available in an attack on this German colony, the object of the operations being confined to the seizure of the powerful long-distance German wireless installation at Kamina.

On the 12th August a British force disembarked at Lome. The campaign was conducted with exceptional energy and initiative, and within a fortnight the German colony and the troops surrendered unconditionally (the 26th August, 1914).

The forces engaged comprised the Gold Coast Regiment, West African Frontier Force, Gold Coast Volunteers, and Gold Coast Constabulary, about 2,600 in all, exclusive of naval forces employed on the coast and of some French details which co-operated in the interior.

3. Cameroons.

On the 5th August, 1914, the question of operations against the German Cameroons was considered by the same sub-committee of the Committee of Imperial Defence that considered the operations against German South-West Africa. On the 10th August the French Government notified its readiness to co-operate with naval and military forces, and on the 23rd August notified its willingness to accept the appointment of General Dobell to the supreme command of an Allied Franco-British Expeditionary Force.

The initial objective, as notified to General Dobell on the 27th August, provided only for the seizure of Victoria, Buea (seat of Government), and Duala, and the destruction of the wireless installation at the latter place.

On the 27th September Duala was surrendered unconditionally to the Allied Expeditionary Force, and two days later (the 29th September) orders were sent to General Dobell that his objective was to be the complete conquest of the Colony. It then became evident that a prolonged campaign would be necessary. The Germans, who were well prepared and well equipped, opposed a formidable resistance and utilised every defensive means. After several temporary set-backs and disappointments, the campaign finally concluded on the 14th February, 1916, on which date the garrison of Mora, in the North, surrendered. A few days earlier the remnant of the German troops, whose ammunition was exhausted, together with the German Governor and his staff, had passed into Spanish Muni, from whence they were removed for internment to Spain and the Spanish island of Fernando Po.

The British troops employed included battalions of the West India Regiment, West Africa Regiment, West African Frontier Force, and one Indian battalion. Maximum strength at any one time about 6,500, exclusive of naval and Royal Marine details operating on the coast. The French forces which co-operated in the expedition consisted of about 8,000 men from Equatorial Africa and Senegal. There was also a small Belgian Congo contingent. The German forces were at their maximum nearly 10,000. The proportion of whites to natives in German native forces here and in East Africa was about one in ten. This is a much higher proportion than in the British or French coloured troops, and accounted largely for the formidable character of the resistance.

None of the Allied troops used in this campaign were suited for employment in the main theatres of war.

4. East Africa.

In East Africa, the largest and in many respects the most highly developed of the German Overseas Dependencies, a really formidable resistance was encountered, and the enemy, though in much reduced force, is still in the field. The campaign has unquestionably involved a serious outlay both of money and resources, though very few of the troops employed were fitted for the major theatres, and the campaign was a
necessity if the neighbouring protectorates of European Powers were not to be overrun from bases in the German territory.

It is typical of German methods that the true range and power of the wireless installation at Muanza was concealed from ourselves and others until it was discovered to be capable of communicating with Nauen without intermediate stations. Other German preparations in this Colony were similarly advanced, and at first the problem of the reduction of the Protectorate was scarcely appreciated either in the War Office or in India, the latter country being looked to for both intelligence and the provision of the majority of the troops required.

At first the objective of the operations was merely the capture of Tanga with a view to ensuring the Uganda Railway against an attack from this direction. The attack on Tanga failed, and subsequent operations along the British East African frontier in the early months of the war showed that the force originally sent out was insufficient to ensure the safety of the Uganda Railway. To avert the complications involved in the possibility of a serious German attack on the railway, coupled with trouble fomented in Abyssinia, it became necessary to make an effort to get rid of the German menace.

South Africa was appealed to for assistance, and early in 1916 General Smuts was in a position to begin the highly successful but arduous campaign by which the Germans were progressively driven southwards out of one district after another, while Belgian forces from the north-west and a British force from North-Eastern Rhodesia drove their outlying forces south-eastwards and north-eastwards upon the main body. A small Portuguese force also operated along the southern frontier. At the moment of writing, the German forces remaining in the field have been confined in the least hospitable portion of their territory, and are short of supplies and transport, though still well equipped as regards small arms and ammunition. The bulk of their field and heavier artillery has been lost or captured by us.

The German forces consisted of some 18,000 well-disciplined and highly-trained Askaris. The British forces, at their maximum, included: Imperial troops, 2 Regular battalions, 11 batteries, and specialist troops of all kinds, as well as Naval and Royal Naval Reserve details operating on the coast and on Lakes Tanganyika and Victoria; the South African Union troops, 2 mounted brigades, 3 infantry brigades, 6 batteries, and specialist troops; Indian troops, Regular, Imperial Service, and Volunteer, 20 battalions and 5 batteries; lastly, a Rhodesian white battalion, British East Africa and Uganda white volunteer units, and about 20 battalions of King's African Rifles, West African Frontier Force, Rhodesian Police, &c.; in all, about 69,000 men, exclusive of an equal number of native carriers. The white and Indian troops are being withdrawn as rapidly as possible, and their places are being taken by new battalions of King's African Rifles, Matabele battalions, &c. The Belgian forces, nominally 10,000 strong, have probably never exceeded a total of 12,500 effectives.

The only troops employed in this campaign who could have been utilised in France were the 2 Regular battalions and the South African Infantry. It is, however, uncertain how many of the latter would have volunteered for service in Europe. Practically all the Indian troops employed were either Mahommedans of a class which could not have been used against the Turks, or were of such inferior value that they could have been used in no other theatre.
APPENDIX (B).

MEMORANDUM BY THE COLONIAL OFFICE.

BY the desire of the Chairman, we have prepared a Supplementary Memorandum expanding the arguments in our Memorandum of the 14th September, 1916 (T.C.-5), in so far as it deals with the German Colonies in Africa.

I.—German South-West Africa.

It was stated in the first Colonial Office memorandum that political considerations of the most imperative kind required that German South-West Africa should become British. It may be convenient to explain more in detail why this is so.

The outbreak of war found South Africa governed by a Dutch Ministry. Not only were all the Ministers, with two exceptions, themselves Dutch, but the leading men in the Ministry, General Botha and General Smuts, had taken a leading share in the resistance offered by the Transvaal to the British conquest. The memories of the South African war were not dead, and, as the rebellion which broke out in September 1914 showed, there was an active section among the Dutch, who thought that the time had arrived, with German assistance, to cut South Africa loose from the Empire.

The Union Government, however, never at any time wavered in its loyalty to the Crown. Rejecting all idea that South Africa could remain neutral, on the 4th August, 1914, the Union Government telegraphed offering His Majesty's Government to take over most of the duties of the Imperial garrison. Mr. Harcourt telegraphed in reply as follows:

"If your Ministers at the same time desire and feel themselves able to seize such part of German South-West Africa as will give them the command of Swakopmund, Luderitzbucht, and the wireless stations there or in the interior, we should feel this was a great and urgent Imperial service. You will, however, realise that any territory now occupied must be at the disposal of the Imperial Government for purposes of an ultimate settlement at the conclusion of the war. Other Dominions are acting in similar way on the same understanding."

Ministers answered, cordially agreeing to co-operate, and after the rebellion had been suppressed General Botha undertook the South-West Africa campaign, which, except for the assistance rendered by the Navy and some help with the artillery, he conducted to a successful issue entirely with South African resources.

It will be observed that according to Mr. Harcourt's telegram quoted above and the Union reply (both of which have been published in Cd. 7873), German South-West Africa remains nominally at the disposal of His Majesty's Government. Nobody, however, in South Africa doubts that the Union will acquire South-West Africa. Thus the Union Minister of Finance, in his budget speech on the 31st March last, estimated that the rebellion had cost the Union in direct loss 5,100,000l., and that from the outbreak of war up to date 15,000,000l. have been spent in prosecuting the war. He added:

"We have acquired assets far exceeding the 15,000,000l. by our expenditure on this war, and therefore, bearing that in mind, and bearing in mind also that our expenditure will not only give us these direct results, but will enable us to be placed in a position to be entitled to have some voice, when peace comes, our expenditure is shown to be not extravagant."

It need hardly be said that General Botha and his Government have been the object of the fiercest attack on the part of the extremist section. To men like Maritz...
and Beyers it seemed to be an absolutely unique opportunity for undoing the work of the South African war, and many who never came out in rebellion objected to the South-West African campaign, and still sympathise with the defeated rebels. All these people are busily engaged in trying to undermine General Botha’s influence, and if South-West Africa is returned to Germany at the end of the war, they will claim triumphantly that the result has vindicated their objections to the expenditure of South African blood and treasure on a wicked and useless expedition. General Botha has staked his political existence on his decision to carry out, in the spirit as well as in the letter, the pledges given by him at Vereeniging. It is an obligation of loyalty as well as of Imperial interest not to throw him to the wolves. For to surrender South-West Africa would, in fact, be nothing else.

It may be added that, whatever Government is in power in the Union, South-West Africa in German hands must be a danger to the Union. Not only would invasion be possible, but (as was, in fact, shown in the recent rebellion) a German administration must be a standing peril as a source of supply of and a rallying-point for all the disloyal elements in the Union.

II.—German East Africa.

It was stated in our Memorandum that public opinion, both in South Africa and British East Africa, would be strongly opposed to any handing back of German East Africa.

So far as South Africa is concerned, it is necessary to recall the circumstances in which troops were sent from that country to East Africa. After the reverse at Tanga in 1914 the British forces in British East Africa were compelled to remain on the defensive, and the Protectorate was for over a year in considerable danger of invasion by the Germans. Owing to the heavy demands which were being made on our military resources by the campaigns in other countries, there was no prospect of obtaining further assistance for British East Africa except possibly from South Africa. General Smuts engaged in a vigorous recruiting campaign, and eventually raised a large force of South Africans. In his opening speech, delivered to a mass meeting at Cape Town on the 22nd November, 1915, he emphasised the urgent need of South African assistance in order to complete the work of driving out the German flag from South Africa, and pointed out that South Africa was not protected by the Monroe Doctrine, like America, by distance, like Australia, by forces of reserve power, like Asia, and that therefore it was a special call to, and the clear duty of, the Union to see territory in Southern Africa inviolate against the designs found in a “Greater Germany.”

General Smuts and the South African troops have in fact taken a leading part in the conquest of German East Africa. The credit and reputation of General Botha and his Government have been staked, though it may be less obviously than in South-West Africa, on the conquest of East Africa, and a conquest followed by a retrocession would be regarded by public opinion in South Africa as an expensive failure, for which it would be very difficult to find adequate justification.

His Majesty’s Government must, in short, having invited the assistance of the Union, abide the result of their action. It is morally impossible for them to give up German East Africa without obtaining the consent of the Union, and that consent, it is safe to say, would only be given under the pressure of necessity.

So far as British East Africa is concerned there is probably no section of the Empire which in proportion to its numbers and resources has made greater sacrifices in connection with the war than the white community in that country. After years of struggle and disappointment the settlers had recently attained a certain measure of prosperity, but, on the outbreak of war, a large proportion of the men of military age left their farms and businesses without hesitation and enrolled themselves in the local forces. Compulsory military service was spontaneously adopted by them at an early date—before, indeed, it had been adopted in this country—their whole weight was thrown into the struggle and, from their knowledge of local conditions, their assistance has been of the utmost value. There can be no doubt that they confidently expect that German East Africa, for the conquest of which they have made such heavy sacrifices, will be retained by this country. Should this expectation not be realised the effect on the white population would be deplorable, and the difficulties of the local administration, at all times considerable, would be greatly increased.

Attention was drawn in our previous Memorandum to the objections to the
retransfer of the natives to German rule and to the loss of prestige which British rule would suffer by such an event in the eyes of the natives generally. These arguments apply to all the German Colonies in Africa, and are dealt with in greater detail under the Heads of “Cameroons” and “Togoland.” We would merely observe here that there is undoubtedly a very powerful body of public opinion in this country which, on humanitarian grounds alone, is strongly opposed to the retransfer of these Colonies to their former owners. In this connection it may be added that many of the surrendered German askaris are being enrolled by General Smuts, and if we are to hand them back to the tender mercies of their former masters our action will not only be keenly resented by the natives, but will probably be stigmatised as base ingratitude by public opinion here.

We also referred in our Memorandum to the competition in armaments which would ensue between the British Protectorates in East Africa and German East Africa if the latter were handed back at the end of the war. Both the East Africa Protectorate and Uganda are new and imperfectly developed countries, and it is of the highest importance, not only in their own interests but in those of the Imperial Government, that as large a portion as possible of their funds should be devoted to reproductive work, such as the development of communications, &c., and that they should be placed at an early date on a permanently self-supporting basis. If they are burdened with largely increased military expenditure their position will become a difficult one, and they will probably require heavy grants-in-aid from the Home Government.

Finally we referred to the vulnerability of the Uganda Railway. The General Staff, in their Memorandum of the 22nd September, 1916, agree that this is a matter of great importance, and we would only point out that, although many successful attacks were made on the section of the line between Mombasa and Nairobi, with considerable damage to rolling-stock and permanent way, the injury done was trifling compared with what might have resulted from attacks on the section between Nairobi and Lake Victoria. In the former section there are no viaducts and no important bridges, but in the latter there are no less than twenty-seven steel viaducts, many of which are of considerable magnitude. If one or more of these were seriously damaged in time of war, repairs would be very difficult to execute, and the consequences, both from a military and economic point of view, might well be serious.

There are two additional points to which reference was not made in our previous Memorandum.

The first of these is referred to in the telegram from the Indian Government of the 8th September, 1916 (Appendix A, to India Office Memorandum), in which they state that, “As regards German East Africa, whatever may be its eventual administration, we trust arrangements to admit of Indian emigration on equitable lines may be made.”

As the Committee are no doubt aware there have been serious difficulties in connection with the emigration of Indians to the Colonies. Both the Imperial Government and the Government of India have for years been endeavouring to find some solution of the question and, in view of the part played by India during the war, it is more than ever important that a solution should be arrived at as soon as possible. There can be no doubt that the situation would be greatly relieved if an outlet for Indian emigration could be found in a country which, as in the case of German East Africa, is of large extent, is thinly populated, and is apparently suitable for Indian settlement.

The second point is that both Belgium and Portugal will certainly raise the strongest objections to the reoccupation by Germany of territory adjacent to theirs in Africa, as they would in that event be exposed to retaliation from their formidable neighbour, whose attitude towards them was by no means conciliatory even before the war.

III.—Cameroons.

The Western frontier of the Cameroons coincides with that of Nigeria for between 700 and 800 miles. Nigeria is the largest British dependency (exclusive of India) not possessing responsible government. It is also by far the most populous of any of the British dominions or colonies, having about 17 millions of inhabitants; Canada (the next in population) having about 8 millions. Before the war its revenue was about that of Ceylon. A large proportion of the inhabitants are Mohammedans, under the immediate control of important Emirs, whose authority it is the policy of the British Administration to uphold.
These few facts are mentioned in order that the importance of the British Dependency adjoining the Cameroons may not be overlooked.

The British land forces engaged in the Cameroons campaign were composed of West Africans, and of these the greater part were drawn from Nigeria. The whole of the campaign in the North was carried out by the Nigerian Regiment under their Commandant, and the operations by sea could hardly have been so promptly and successfully completed had it not been for the assistance in craft and personnel given by the Nigerian marine.

The campaign therefore concerned Nigeria more than any other West African Colony, and its successful conclusion was naturally regarded by the soldiers and by the Chief and Emirs (whose loyalty was most satisfactorily tested) as due to the valour of the Nigerians—which to a considerable extent it was.

There can be no doubt whatever that the return of the Germans to the Cameroons would be a very severe blow to British prestige throughout Nigeria. The Chiefs, both Mohammedan and Pagan, are accustomed to see the conquerer take over the land of the conquered, and the general opinion would no doubt be that, whatever we might say, we had not beaten the Germans. When the greater part of the Cameroons was given to the French by the “provisional” partition of February last, it was thought that it might cause some dissatisfaction among the natives, but this was not the case, possibly because a sufficiently wide strip was allotted to us along the frontier to satisfy those who were nearest to us, and familiar with German methods, of the advantages of a change of masters. As for the rest, at any rate the Germans had been got rid of.

As there are no white troops in Nigeria and only a small native force, we depend there largely on prestige; and should the Cameroons revert to Germany, which would probably be followed by an aggressive attitude of the natives restored to their rule in the frontier regions, it would involve a reconsideration of the whole military policy in the Protectorate.

If the Cameroons had been conquered solely by British forces, the position would be somewhat similar to that of German South-West Africa; but the objections to its return to Germany, though grave, would not be so overwhelming, although it is likely that the French, whose territories adjoin the Cameroons on the other two sides, would have agreed to its retrocession with great reluctance and only under pressure. But the actual situation is entirely different.

The share of the French in the land operations in the Cameroons was quite as large as ours, and they, no doubt, consider that it was larger. A part of it consisted in the recovery of the large tracts of country ceded by them to Germany in 1911, which must mean a great increase of their prestige among the natives, who have now returned to their old allegiance. With this part of the operations, and with the whole of their campaign in the Eastern and Southern Cameroons, British forces had nothing whatever to do. The French are therefore peculiarly interested in the Cameroons, the only one of the German Overseas possessions in the conquest of which their forces have played an important part, and where they have expended much money and many valuable lives.

It is abundantly evident, from the negotiations which took place in connection with the provisional partition of the Cameroons, that the French have every intention of retaining at least the portion they now hold. This was shown early in the campaign, when we could not get them to agree to anything like an approximate half-and-half partition; the reason, of course, being that, owing to the geographical position of Duala, that all-important port would inevitably have fallen to us, and they no doubt felt (as we feel now) that no matter how “provisional” the partition was called, the holders of Duala would probably remain there. Later on they made no attempt to conceal their intentions. In the report of the conversation between M. Cambon and Sir E. Grey, contained in the despatch to Lord Bertie of the 24th February, 1916, it is stated —

“He” (M. Cambon) “told me that the French Colonial Party were very excited. Early in the war we had asked the French to have a force ready to help us in East Africa. They had kept one ready in Madagascar. Then we had said that we did not require it, and it had been used elsewhere. Lately, without saying anything to the French, we had decided to undertake large operations in East Africa. As to the Cameroons, Duala was the only possible port for French Central Africa, seeing that the French could not take one of the ports of the Congo. There was really no other outlet for them, whereas we, for our corresponding possessions, had outlets in Nigeria, and Duala was therefore vital to the French.
M. Cambon told me [that he had recommended that the territory belonging to the Emir of Bornu should not be divided, and that if we gave Duala to the administration of the French, they would drop their demands about German East Africa."

M. Picot used the same arguments at the meeting of the Foreign Office on the 23rd February, when the French proposals for the partition of the Cameroons were put forward. He said that the possession of Duala by the French "was essential, and that on this point there could be no compromise." And when he was drawing the line of demarcation between the British and French spheres, he insisted on retaining a certain road on the ground that it was a line which would be followed by a railway to be constructed to the north.

It is not to be supposed that the dissatisfaction of the French Colonial party would be assuaged by the possession of Duala and the greater part of the Cameroons during the period of the war only, or that a great scheme of railway construction could have been contemplated in a territory which the French did not expect to hold permanently.

As regards the possible return to Germany of the narrow strip of mountainous territory left to us by the "provisional" partition of the Cameroons, it is not worth serious consideration. It would be for the most part useless to the Germans; to hand it back would be very disquieting and a blow to our prestige in Nigeria, and would be most objectionable to the French.

Although, as is shown above, the great improbability of the French being disposed to return any portion of the Cameroons to Germany must be fully recognised, it does not follow that, in negotiations with France, we should accept the reasons which led to the existing partition as justifying a permanent transfer to the French of the territory now provisionally allotted to them. If the relative shares in the conquest are to be taken as governing the future, then they could not possibly claim more than half the Cameroons (instead of about nine-tenths), and in view of the work of the Navy, this would be more than their fair share. If they keep Duala, they ought to have less than half, owing to the great value of that port. The arguments brought forward at the time of the provisional partition, based on the attitude of the French Colonial party, were possibly of weight at the time, but they should not, we submit, be given special consideration in connection with a general and permanent settlement. In other words, although we may know that the French fully intend to keep what they have got, it is not to our interest to make them a present of it, and we should keep alive the "provisional" nature of the partition in order that we may, if possible, obtain some quid pro quo in return for our acquiescence in its being made permanent. As far as can be seen at present, we have not got very much in the way of territory to offer to France, if such an offer should be necessary, as part of a general settlement. The same considerations apply (with still greater force) to Togoland, in the reduction of which the French forces played a very small part.

IV.—Togoland.

The objections to returning Togoland to Germany are to a considerable extent the same as have been pointed out in the case of the Cameroons. In Togoland French forces played a very small part in the campaign, but the French now administer (provisionally) nearly twice the area which was allotted to the British, who, however, hold Lome (the port) and control the railways.

The question of the future of Togoland was discussed at considerable length by the Governor of the Gold Coast, Sir Hugh Clifford, in a Memorandum written in October 1914, from which the following extract, dealing with a possible retrocession to Germany, is taken:—

"The existing boundary between Togoland and this Colony and its Dependencies is eminently unsatisfactory. However convenient it may have appeared to the two European Governments concerned at the time of delimitation, it unquestionably entailed a cynical disregard of native rights and of native settlement.

"As at present drawn this boundary-line cuts off a portion of the country belonging to and inhabited by the people of three important tribes from the rest of the country peopleed by them and also from their Paramount Chiefs. These three tribes are the Awumas in the extreme south, and on the coast, whose Fia
resides at Kwitta; the Pekis, further to the north in our Trans-Volta districts, whose Fia resides at Peki-Blengo; and in our northern territories the Dagomba tribe, whose Paramount Chief resides at Yendi in Northern Togoland.

"This grievance is one of very long standing—nearly twenty years old in fact—but it is as fresh in the minds of the people to-day (vide paragraph 58 of my despatch No. 746 of the 7th October, 1913), as though the settlement between Great Britain and Germany had been arrived at yesterday. The German officials across our border have not contrived to make their rule popular. This is due in part to their system of direct taxation—e.g., poll-tax, &c.—and partly to the military character of their rule. Their local nickname of the 'Twenty-fivers'—an allusion to the frequency with which they were accustomed to resort to corporal punishment—was not given to them without reason. The arrival of our troops and officers in Togoland was, therefore, everywhere welcomed by the native population; but the spontaneous expressions of enthusiastic delight which our occupation of Togoland elicited from the Awunas, Pekis, and Dagombas, is to be ascribed not only to their preference for British as compared with German methods of administration but also to the great satisfaction with which the reunion of their divided tribes was regarded by them."

"If Togoland were hereafter to be restored to Germany, such action would be strongly resented by the entire native population of the Gold Coast and its Dependencies, but especially by the Awuna, Peki, and Dagomba tribes. There is also only too much reason to fear that the natives of Togoland, who have acted loyally by us, would fare badly at the hands of a restored German Government. As an instance of how loyal they have been I may mention that in the Misahoke district, which marches on our Peki country, the chiefs and people voluntarily brought in, and handed over to our Political Officer, 1,000 muskets, which the German Provincial Commissioner, Dr. Grunner, had given to them wherewith to resist our Forces."
it must, I think, be recognised that the principal value of Togoland to Germany consisted in its central position on the west coast of Africa and on the shores of the Atlantic for the purposes of communication by wireless telegraphy. The gigantic installation at Kamina, which is reported to have cost between 200,000£ and 250,000£, was only completed in August last, and was completely destroyed before the end of that month. It is certain, however, that during the first days of the war it was instrumental in warning German shipping in the Atlantic of the position of affairs, and it is probable that it thus saved Germany considerably more money than had been expended upon its construction. Is His Majesty's Government prepared to place the Government of Germany in a position to repeat this coup?

"To sum up, then, the restoration of Togoland to Germany at the end of the war is, judged from the standpoint of the local Government, exceedingly inexpedient. There is also the Imperial and strategical objection, last noted, to be urged against such a course. If, however, it be decided to restore Togoland to Germany, a rectification of frontier in the Peki and Dagomba country, and, as far as circumstances admit, in the Awuma country also, should be insisted upon."

Sir Hugh Clifford has recently written on the subject of the German wireless station at Kamina (see paragraph 16 of Memorandum quoted above) urging in the strongest terms that in no circumstances should Germany be permitted to re-establish herself where she would be in a position to reconstruct this station.

H. J. R.
H. L.
C. S.

Colonial Office,
November 3, 1916.

APPENDIX (C).

EXCHANGE OF NOTES RELATIVE TO THE PROVISIONAL PARTITION OF THE CAMEROONS.

Ambassade de France, Londres,
M. le Secretaire d'Etat,
le 3 mars, 1916 ;
J'ai l'honneur d'accuser reception a votre Excellence de la communication qu'elle m'a adressee a la date du 28 fevrier, 1916, relativement a l'organisation provisoire des territoires du Cameroun pendant la duree de la presente guerre. Le Gouvernement de la Republique accepte les limites qui ont ete tracees sur la carte signee par M. Strachey et M. Georges Picot dans la reunion du 23 de ce mois, sous les reserves suivantes:

1. L'arrangement conclu aura un caracter temporary comme tout ce qui serait fait pour les autres colonies allemandes occupees par les Allies.
2. Les forces allemandes, de terre et de mer, auront le droit, pendant toute la duree de la presente guerre, de se servir du port de Duala, si elles le jugent utile.
3. Si la question de la cession de Duala a une tierce Puissance se pose entre la signature de la paix et l'arrangement definitif concernant le Cameroun, le Gouvernement britannique aura un droit de preemption sur ce port.
4. Les details relatifs au retrait des troupes et de l'administration allemandes des territoires qui rentreront dans la sphere francaise, comme la repartition des prisonniers, et des taxes perues par les autorites franco-allemandes, feroient l'objet d'une entente entre les generalites anglais et francais.
5. Les societes allemandes existant a Duala pourront continuer leurs operations, mais le Gouvernement francais ne sera pas tenu d'admettre la validite de concessions privilegiees ou bailments de duree dans la cas ou l'autorite militaire britannique en aurait consenti depuis le debut de la guerre.

Dans ces conditions, le Gouvernement de la Republique admet que le territoire du Bornou, compris dans les limites du Cameroun, rentre sous l'administration britannique. Il admet, en outre, que les lignes tracees sur la carte etablee par les delegues anglais et francais pourront être legement modifiees de maniere a eviter le partage de villages, de champs appartenant a certaines tribus, de plantations, &c. En particulier, la partie
de cette ligne frontière la plus proche de la mer sera tracée de telle manière qu'elle évitera d'en interdire l'accès aux plantations, &c, situées sur les pentes du mont Cameroun.

Veuillez, &c.

PAUL CAMBON.

Son Excellence

Sir Edward Grey, Bart.,
&c. &c. &c.

Your Excellency,

I HAVE the honour to acknowledge the receipt of your Excellency's note of the 3rd instant relative to the provisional administration of the Cameroons during the continuance of the present war and to inform your Excellency that His Majesty's Government agree to the arrangement set forth therein under the reservations specified.

I have, &c.

CREWE.

His Excellency M. Cambon,
&c. &c. &c.

APPENDIX (D).

THE CAMEROONS.

Sir Edward Grey to Lord Bertie.

(No. 155. Confidential.)

My Lord,

TO-DAY I mentioned the subject of the Cameroons to M. Cambon.

He told me that the French colonial party were very excited. Early in the war we had asked the French to have a force ready to help us in East Africa. They had kept one ready in Madagascar. Then we had said that we did not require it, and it had been used elsewhere. Lately, without saying anything to the French, we had decided to undertake large operations in East Africa. As to the Cameroons, Duala was the only possible port for French Central Africa, seeing that the French could not take one of the ports of the Congo. There was really no other outlet for them; whereas we, for our corresponding possessions, had outlets in Nigeria, and Duala was therefore vital to the French. M. Cambon told me that he had recommended that the territory belonging to the Amir of Bornu should not be divided, and that, if we gave Duala to the administration of the French, they should drop their demands about German East Africa.

I told M. Cambon that our colonial feeling was equally excited about Duala, which apparently was the only port of the Cameroons; but the matter had been discussed with the Prime Minister and some of my colleagues, and we had come to the conclusion that, as the South African Union was already in possession of German South-West Africa, we ought to accept with as little qualification as possible the French proposals about the Cameroons. We would, therefore, accept M. Picot's proposals, asking only that the territory of the Amir of Bornu should not be divided, and should go to us for administrative reasons, and that not only British merchant vessels, but British ships of war, should be able to use Duala during the war.

M. Cambon cordially agreed with both these conditions, and I understood from him that he thought his Government would authorise him to settle on these lines.

I said that I was speaking only unofficially, because the official negotiations were being carried on by M. Picot with our experts; but I wished M. Cambon to know the difficulties that we had had with regard to Duala, and the reasons that had moved us to agree to the French proposal.

I mentioned that all occupation of German colonies was provisional till the conclusion of peace.

I am, &c.

E. GREY.
My dear Sir Louis,

January 12, 1917.

WITH reference to our conversation of the other day about foreign colonies and possessions, I write these few lines to amplify the views I expressed on the subject of German possessions in Africa.

I refer especially to East Africa, because German West Africa did not affect us in Egypt, except so far that after the capture of that country we received welcome reinforcement from there in the form of officers (General Dobell and others) and troops who did excellent work in our Western desert.

German East Africa did affect us, and that very inconveniently, in several ways, direct and indirect:

1. Our initial defeat there, which disclosed the strength of the local German forces, necessitated our sending to East Africa some of the Indian troops defending the Canal.

2. The possibility of being called upon to send further reinforcements there and elsewhere was urged upon me by the Commander-in-Chief, Egypt, as one of the reasons which prevented his undertaking the urgently-needed expedition to cut the Hedjaz Railway line from Akaba.

3. Operations in East Africa deprived India of the troops which were and still are urgently needed to drive the Turks out of our Aden territory.

(2 and 3 have had a prejudicial bearing on the Arab movement by impeding its progress.)

4. The fact that all available forces in Uganda and British East Africa were fully occupied with the Germans in East Africa added considerably to the anxiety which the Mohammedan movement, brought about by Germany in Abyssinia, caused me in regard to the Sudan, where our small force was then wholly occupied with the operations in Darfur.

All this has brought home to me very strongly the danger which German East Africa would have been to us had the Germans had a few years more in which to strengthen their position and forces there, and it indicates the still greater danger which German East Africa will be to us at some future time if we allow Germany to remain there and make use of her past experience.

Similar conditions, mutatis mutandis, doubtless obtain in the case of German West Africa, but of this I cannot speak from personal knowledge. As far as East Africa is concerned, I am most strongly of opinion that we should not, and must not, allow Germany to remain there after the war.

APPENDIX (F).

GERMAN EAST AFRICA.

I.—Note by Mr. E. F. Spanton entitled "Some Considerations as to the Effect of a return to German Rule in East Africa."

II.—Note by Mr. E. F. Spanton entitled "Some Notes on the Treatment of the Natives in German East Africa."

I.—Some Considerations as to the Effect of a return to German Rule in East Africa.

1. From the point of view of British Prestige.

THE defeat of the British force at Tanga in November 1914 produced a disastrous effect upon the minds of the natives of East Africa. For many months after this fight it was constantly said that the English were women, who did not...
know how to fight, and though the success of the present invasion has done some­thing towards removing this impression, Tanga has not been forgotten, and large numbers of the natives are inclined to believe and to fear that the story they have been told by the Germans may be true, viz., that they are now withdrawing from certain parts of their colonies because they are wanted to fight for their Emperor elsewhere, and that when the war is over the English, who are only old women and cannot fight, will not be able to prevent them from returning.

The treatment of the British prisoners of war as slaves of the Germans has also produced a tremendous effect upon the native mind, which so much admires strength and despises weakness.

It will be understood that the bad impression referred to cannot be confined to the territory until lately German. News, and opinions about it, spread far and rapidly in Africa.

2. From the point of view of the English Missions.

The Universities' Mission to Central Africa was working in the country for nearly twenty years before the Germans occupied it, and their right to work there without interference was duly recognised in the course of the negotiations of 1889.

The return of German rule after the present war would appear to involve the destruction of this work; it is hardly to be hoped that English people could live and work under the German flag in Africa, at least for many years to come. Even were it to be conceived as possible that permission would be given by a German Colonial Government for English missionaries to work in their territory, it cannot be doubted in view of what we have seen of their recent methods that they would render such work practically impossible.

3. From the point of view of Justice to the Native Races.

The Germans have shown themselves incapable of ruling the African people; they have treated them with brutal cruelty and injustice. The natives have had a foretaste, on more than one occasion, during the last year of what they would have to expect if they were made subject to the Germans when the war is at an end. German forces have retired before British advance guards, and have, subsequently, again occupied their previous position, as the British fell back upon their main body; when this has happened the natives have been massacred by the returning Germans for having sold food to the English while they occupied the district, and certainly in one case, for having been glad that the English came.

ERNEST T. SPANTON,
Principal of St. Andrews College, Zanzibar.

January 22, 1917.

II.—Some Notes on the Treatment of the Natives in German East Africa.

1. Treatment by the Germans.

Soon after the outbreak of hostilities, some of the teachers of the Universities' Mission to Central Africa, who were working in the north of the colony, were arrested by the military authorities, and within the first six months, after a systematic search for those teachers in the north who were not at first made prisoners, practically the only worker of the mission still at liberty was a sub-deacon, who had been put in charge of the mission station at Maalabani, near Mheza. He remained there until the occupation of this part of the colony by the English troops.

The teachers in the south of the colony, in the Rovuma district, were not made prisoners until 1916, for the most part, and I have no information as to how they were treated after their arrest.

The teachers from the north were compelled to march some hundreds of miles across country under miserable conditions. Many of them were in chains, and compelled to carry burdens, though weak and ill, and they were all subject to very rough usage from their guards, both coloured and white. Some of them were taken to Kondoa Irangi, where a considerable proportion of them died, the remainder who survived
were removed to Mrogoro. The others, who had not been sent to Kondoa Irangi, were imprisoned at Tabora, where we frequently saw them, and received news both of their own condition and of that of their fellows who were at Mrogoro. No charge was ever brought against any of these men, but they were regarded as prisoners of war, because, though German subjects, they were adherents of the English Mission. They were confined in camps with coloured prisoners taken in action, and with other natives suspected of treason and similar offences. When the Belgians were on the eve of taking Tabora, the rest of the native prisoners (i.e., those taken in the field and the suspects) were carried off into the bush, but the mission teachers were set at liberty.

In December 1914 a charge was made against one of the English Mission clergy (Reverend H. A. Keates) of having signalled by means of acetylene lamps to the English troops. Whether to those who invaded Tanganyka in November 1914, or to those on the British East Africa border, never transpired, but in either case the charge was equally absurd, as Mr. Keates never possessed an acetylene lamp, and it would have been quite impossible in any case to have made such signals over the distances involved.

The Germans tried to induce some of the mission teachers to perjure themselves by telling a story which was suggested to them in support of the above charge. When they refused they were harshly used and threatened with death, but as they still refused (and as no acetylene lamp could be found), the charge against Mr. Keates was dropped, and the teachers in question were not further interfered with, but were treated like the others who had been made prisoners.

A somewhat similar instance of the same kind of thing arose in connection with a charge against two of the Church Missionary Society’s missionaries (Rev. Dr. Westgate and the Rev. E. W. Doulton). They were accused of having taught the natives in the Ueggo country something of heliography, of having given them an instrument with which to signal to the invading British force, and of having inspired communications which were to be sent to the British. The whole story was taught to the natives, who were told to repeat it as evidence, and they were very severely flogged to induce them to do so. Under the influence of the floggings two of the natives gave the evidence required of them, a third, who refused, received over 100 lashes; the two false witnesses, when confronted with the English missionaries before a judge, blurted out the whole plot, and, after much bullying and cross-examination, it was found that no threats of further punishment could shake their evidence. The charge, therefore, fell through, like the one alluded to above, but was revived a little later, and a second trial took place before a new judge. The matter was then dropped.

Many of the German Askaris, and practically all porters, required for transport, were recruited by the following simple process. Parties of soldiers were sent out into the villages (they were generally timed to arrive at night when the people of the village were likely to be caught in bed) to seize all the young men. They fastened them together somewhat in the fashion of the Arab slave raiders of older days, and drove them to the nearest fort. They were confined in a fort, or, more frequently, in a camp, and were told that any attempt to escape would be punished with death.

The porters engaged in transport work were consistently treated with the greatest brutality. When a man fell exhausted under the weight of his load, he was flogged until he staggered to his feet and stumbled on again. Those who were too weak to do this were shot as they lay. For example, one of the German officers with the column retreating from the Ruanda country before the advancing Belgians, wrote in a private letter: “Our road is paved with the corpses of the natives we have been obliged to kill.”

2. Treatment by the Belgians.

The Belgian forces entered Tabora on the 19th September, 1916, and that night the town was a pandemonium. Belgian Askaris wandered about the streets with loaded rifles, looting the native houses in all parts of the town, carrying off the women and threatening to shoot the men who protested against the loss of their wives—quite a considerable number of men were actually shot in the immediate neighbourhood of Tabora by marauding Askaris during the two or three weeks that followed the occupation of Tabora. After the first night the state of affairs in the town itself was somewhat better, for police patrols were sent out regularly, but it sometimes happened that these patrols were themselves guilty of loot and violence. The Belgian officers, when appealed to, generally expressed their disapproval of these proceedings, but professed themselves unable to control their troops. It was commonly stated that
these native troops had been got to Tabora by the promise of unlimited loot and unlimited women as soon as they should arrive. On our march north from Tabora towards the lake we found everywhere in the Belgian sphere evidence of this sort of brigandage. Villages had been burned, crops destroyed, and the people had fled; as soon as we passed into the British sphere we found things untouched, and the natives came to our camps, eager and willing to sell us produce. The first night out from Tabora we camped near Itaga, a mission station of the White Fathers. Of the mission village not one of its seventy houses remained, and the Father Superior told me that on the previous Sunday three young mothers of his people had been carried off and their babies thrown into the bush. On the morning of our arrival a man had been shot for objecting to the rape of his wife. Not only had food been stolen in wholesale fashion, but the food stores had been burned in a spirit of wantonness.

Native Feeling in (German) East Africa.

(1.) Before the War.—The people of Ruanda (the province in the north-west of the colony) were a constant source of anxiety to the German authorities; they had never dared to attempt to collect hut tax from them. When the war broke out a branch of the Central Railway, to run north from Tabora, was being surveyed. Its purpose was, perhaps, partly commercial, but chiefly to enable the Germans to control the Ruanda people.

The people in the north of the colony (Bondei, Shambala, Zigua, Masai) were distinctly pro-English, and longed for the day to come when they should be under British rule. The same may be said of the large tribe of Wagogo, who lived north and south of the Central Railway, centring round Dodoma.

The people of the south-east might be described as anti-German, and, in consequence of their treatment by the Germans, perhaps anti-European. The Wanyamwezi and kindred tribes centring round Tabora were, on the whole, probably the most loyal to the German administration. These people are ruled by powerful Sultans and Sultanas, whose friendship the Germans were at some pains to cultivate.

(2.) During the War.—The Germans' methods of dealing with their own native subjects during the course of the military operations, caused those sections of them who were inclined to be disloyal to dislike the German rule more than ever, and it became thoroughly unpopular with all classes of people, some of the troops excepted. Great pains were taken to conciliate the native troops. Their rate of pay was largely increased, they were granted privileges denied to the rest of the people, and were allowed to rob and to tyrannise pretty well as much as they pleased. Yet, as the war dragged on, large numbers of them became thoroughly disaffected, and talked openly of their hope that the English would come quickly and bring the war to an end. Many of them had to be flogged into action, and seized every opportunity to desert.

In view of what has been said above as to the attitude of the Wanyamwezi before the war, the following evidence is significant as showing the result of the behaviour of the Germans upon the most loyal of their native subjects. In the summer of 1916 the Governor called a conference of the Sultans of the Tabora district, at which he was refused more men, either for military or for transport purposes; for some days the attitude of the natives was such that a revolution was openly spoken of and seriously feared. As a matter of fact, the Muhammadan Sultan of Tabora approached some of the prisoners with a scheme for the massacre of the Germans, as a means of freeing his people from a tyranny they could no longer bear, and was only induced to postpone his project by the assurance that the British or Belgian columns would very shortly arrive and drive the Germans from his country. The people of Tabora were prepared to welcome the invading forces, and to help them by every means they could; what has been said above as to the behaviour of the Belgian native soldiery will explain the modification of their attitude which was to be noticed after the Belgians' arrival.

The English, however, have been welcomed everywhere, and regarded by the people as delivering them from slavery.

ERNEST F. SPANTON,
Principal of St. Andrew's College, Zanzibar.

January 22, 1917.
APPENDIX (G).

FUTURE ADMINISTRATION OF GERMAN EAST AFRICA.

Letter addressed to the Secretary of State for the Colonies by the Universities' Mission to Central Africa.


Sir,

IN consideration of the approaching termination of military operations in the colony hitherto known as German East Africa, and of the occupation of the colony by the forces of the British Empire and its Allies, we, the Committee of the Universities' Mission, humbly approach you in the interests of the native inhabitants of the country. We have, some of us, been witnesses in recent years of the cruelties wrought by Germany on the native tribes living under her rule. The whole story of the German occupation of East Africa from the beginning is a record of oppression. Certainly much has been done in the development of the land in the interests of the German settlers, but the native rights have not been considered. The native has no rights in German eyes. What is to be the future of the colony?

Either wholly or in part it will be given back to the German Empire, or to Portugal or to Belgium, or it may remain, in its entirety, under the British flag.

In the interests of the Africans, any one of these results except the last would be deplorable. The native would, probably, not be any better under Belgian than under German rule, and our experience is that he might be even worse off under the Portuguese.

It is not for us to suggest who eventually ought to possess the land, but we feel entitled very strongly to press the point that it should not be retained by Germany, nor handed over to either of the other two Powers. Christian missions, both British and French, for half a century have worked in this vast district, to the advantage of the native tribes, educating them, training them, developing them; and our own Universities' Mission was at work there twenty years before German East Africa existed. All this work would, presumably, come to an end if the colony passed from British rule.

Therefore, in the interests of humanity, in the interests of the Christian religion, and in the interests of the defence of the native races, we pray that the protection of Great Britain, or of some Power other than German, Portuguese, or Belgian may be extended over this country; that it may not be handed over to those who would crush out our native life, and check the development of what might, in the future, be one of the great races of the world.

We are, &c.

(Signed) T. H. ARCHER HOUBLON,
Archdeacon of Oxford,
Acting Chairman of the General Committee,
Universities' Mission to Central Africa.

(Signed) J. E. HINE, Bp.,
Sometime Bishop of Zanzibar and Northern Rhodesia and Nyasaland.

To the Secretary of State for the Colonies,
Colonial Office, Whitehall, S.W.
APPENDIX (H).

CONSIDERATIONS BASED ON PROSPECTIVE DEVELOPMENT OF AVIATION.

Letter from General Brancker to the Secretary, covering a Memorandum prepared in the Military Aeronautics Department of the War Office.

War Office, Adastral House, Victoria Embankment, February 8, 1917.

I ENCLOSE a memorandum on the subject about which you spoke to me a couple of days ago. I agree with it generally, but have not time to go into details. There is no doubt at all that aviation is going to have an enormous influence in the future. Now is our time to look ahead, and, by our demands when peace is considered, earn the blessings and praise of coming generations. The memorandum goes fairly far ahead, and there is little doubt in my mind that the Azores are going to play a very important part in aviation in the future. I mention the Azores particularly, because it seems to me that the rest of the paper is absolutely clear, and is hardly open to argument.

Yours sincerely,

AV. S. BRANCKER.

Memorandum by Major B. C. Fellows.

1. The subject-matter of this paper deals with the problem of inter-continental transit by air, which is one which cannot be dissociated from the considerations of territorial adjustment which must inevitably follow the conclusion of the present hostilities.

Broadly, the aerial considerations involved can be divided into two categories:—

(a.) Routes immediately available;
(b.) Routes available in (say) three to four years' time.

This division is rendered necessary by the constant and progressive advance of aerial science, which enables us to foresee possibilities which, at the present moment, might, by those unversed in current progress, well be claimed as visionary.

2. Considering (a), i.e., “Routes immediately available,” we must, for this purpose, take either Egypt or India as our starting-point, and it is the aim of this paper to show that, with certain territorial readjustments, an aerial belt connecting Australia, Straits Settlements, Burma, India, Aden, Egypt, Central Africa, and South Africa is now a working possibility.

A scheme has already been launched for starting an aircraft industry in the East; for the present, the exigencies of the present conflict fix its locale in Egypt, but it may well be that the greater facilities, for the supply of both raw material and labour will, when peace dawns, demand its transfer to India.

For our present purpose, we will assume Egypt to be the strategic centre, and from here two main lines of aerial transit radiate (1) to South Africa, (2) to India with an ultimate extension to Australia.

The main considerations to be envisaged in considering the feasibility of any aerial route as a practicable factor, under present conditions, are: (a) an ample provision of landing grounds throughout the selected route, (say) one for every 100 miles, and (b) the institution of lighthouses for night flying.

Let us now deal with the two immediately available routes seriatim bearing in mind the above considerations:

1. Egypt to South Africa. We already have an all-British route, except for the strip of German East Africa intervening between British East Africa and British Central Africa. To obviate this break, it is suggested that that part of German East Africa lying between Lake Tanganyika and a line drawn from the South-Western point of Victoria Nyanza to the Northern point of Lake Nyassa should be acquired; roughly, this means the acquisition of a belt of territory 1,000 miles long and 150 to 200 miles broad: this would leave to the Germans their important up-country station of Tabora.

2. Egypt to India and ultimately to Australia. This presents a less facile problem, and means rights of landing and the establishment of posts in un-British territory.
Recollecting that we are still considering the problem from the point of view of (a), i.e., "Routes immediately available," the only practicable one at present must follow some such line as follows:—

(1.) Egypt to Port Soudan.
(2.) Port Soudan viâ Massowah and Italian Eritrea to Assab, and thence to Perim and Aden.
(3.) Aden to Muscat, thence across the Gulf of Oman, and Eastward along the Southern Coast of Baluchistan to Karachi.
(4.) Inter-communication in India and Burmah is easily assured.
(5.) Burmah to Singapore.
(6.) Singapore via the Dutch Islands to Timor, and thence to New Guinea and Queensland.

The practicability or otherwise of the above presupposes the acquisition of certain rights over the alien territory traversed; these rights will be largely of a temporary nature, as will be obvious when we visualise in the succeeding paragraphs the same routes under conditions which appear in all likelihood to have developed in four years' time.

As conditions are, it means we must have facilities for landing grounds in Italian Eritrea, in the country occupied by the generally hostile Arab tribes from Mokalla to Oman, in Muscat, and thence presumably we can pick up the line of stations which will connect Basra with Karachi along the Northern shores of the Persian Gulf.

From India onwards to Australia the scheme is more visionary, and is probably impracticable beyond Singapore till the possibilities of long-distance flying have sufficiently developed to enable us to use Borneo and New Guinea, with an intermediary landing station in Gilolo or Celebes. From Burmah to Singapore no great difficulty exists, as it merely means the acquisition of two landing grounds on the Isthmus of Lagor between Tenasserim and Penang, and thence an all-British route exists to Singapore.

3. To turn to (b), i.e., "Routes available in (say) three to four years' time."

The manner of inter-communication between Egypt and South Africa remains unchanged, whilst Egypt to India and Australia will present new features and possibilities.

First let us consider the feasibility of the desert route from Suez, via Akaba, and across the Arabian desert to Basra; if, as has been contemplated in the past, a railway is built on this route, this certainly becomes our most direct route to India, and enables us to use a land route throughout. There are many factors in its favour, and it is at least equally practicable to the alternative and not much shorter line from Aden along the South Arabian Coast to Muscat and Jask.

To Singapore, the conditions remain unchanged, but, as previously pointed out, from thence onwards to Australia, we should be able to use Borneo and New Guinea, with only one alien landing-ground in Gilolo, Celebes, or one of the adjacent islands.

4. In conclusion, let us glance for a moment at the altogether wider prospect of inter-communication by air, which the increasing range of modern aircraft renders possible.

Is it to be gainsaid that the crossing of the Atlantic is outside the region of possibility? In all questions governing the future control of the North Atlantic trade routes, we are confronted by the potentialities of the Azores, whether as a base for aircraft or submarines, and their possession would appear crucial to the existence of our power, both from a naval and aerial point of view.

Given the possession of the Azores, the Power which holds them may be said to command not only the North, but the South Atlantic Sea routes. Gibraltar, the Azores, Bermuda, and St. Vincent (Cape Verde Islands) may be said to form an aerial quadrilateral meet in the future to play their part after the fashion of the old land fortresses of days gone by.

B. C. FELLOWS.

February 8, 1917.

Note.—The writer of the memorandum is, of course, unaware of the terms of the agreement with regard to Asiatic Turkey (T.0.-5), which will presumably secure to Great Britain flying rights to Mesopotamia both from Egypt and from Haifa.

PRINTED AT THE FOREIGN OFFICE BY C. R HARRISON.—63/3/1917.
COMMITTEE OF IMPERIAL DEFENCE.

Sub-Committee on Territorial Changes.

Third Interim Report.

2, Whitehall Gardens, S.W.,
March 28, 1917.
TERMS OF REFERENCE.

THE Prime Minister desires that an Inter-Departmental Committee, constituted as a Sub-Committee of the Committee of Imperial Defence and composed as follows:—

The Right Hon. Sir Louis Mallet, G.C.M.G., C.B. (Chairman),
Sir W. G. Tyrrell, K.C.M.G., C.B., Foreign Office,
Mr. G. R. Clerk, C.B., C.M.G., Foreign Office,
Mr. H. J. Read, C.B., C.M.G., Colonial Office,
Mr. C. Strachey, Colonial Office,
Mr. H. C. M. Lambert, C.B., Colonial Office,
Sir T. W. Holderness, K.C.B., K.C.S.I., India Office,
The Right Hon. the Lord Islington, G.C.M.G., D.S.O., India Office,
†Major-General G. M. W. Macdonogh, C.B., War Office,
Major-General F. B. Maurice, C.B., War Office,
Admiral of the Fleet Sir A. K. Wilson, G.C.B., O.M., G.C.V.O., V.C., Admiralty,
Mr. W. F. Nicholson, C.B., Admiralty,
Sir H. Llewellyn Smith, K.C.B., Board of Trade,
Mr. H. Fountain, C.M.G., Board of Trade,
Mr. P. W. L. Ashley, Board of Trade,

Lieutenant-Colonel Sir M. P. A. Hankey, K.C.B., (Secretary),
An Assistant Secretary from the Committee of Imperial Defence,

should meet to consider:—

The question of territorial changes in Africa and elsewhere outside Europe which may be expected to follow as a result of the war, and which have not, so far, been considered by His Majesty's Government, or which are not being dealt with otherwise, as proposed in the Foreign Office letter, dated the 8th August, 1916, attached herewith.

2, Whitehall Gardens, S.W.,
August 27, 1916.

* Became a member of the Committee on February 15, 1917
† Since created K.C.M.G.
TERRITORIAL CHANGES AND ADJUSTMENTS.

THIRD INTERIM REPORT.

1. IN discussing the question of exchanges or adjustments of territory between the British Empire and its Allies at the conclusion of the war, the Committee realise that they are not in a position to frame any comprehensive or definite scheme. To enable them to do so it would be necessary for them to know on what general principles the territories acquired in the course of the war are to be apportioned between the leading Allies, i.e., whether the guiding principle is to be that of equal division, or division proportionate to the effort and sacrifices involved, or, more roughly, that of actual occupation during the course of the war. It would be equally necessary for them to know what is the base-line from which any calculation is to start, i.e., whether Alsace-Lorraine is to be restored as part of France's share of the spoils of war, or, as the French apparently contend, treated as a liberated province on the same footing as the other French provinces now in German occupation. Similarly, whether Egypt and Cyprus are to be reckoned as British acquisitions made during the war, or as previously existing British possessions whose value has been somewhat enhanced during the war by the abrogation of certain limitations upon our authority. The most the Committee can do is to set out and, as far as possible, classify certain British and Allied desiderata or claims, and to indicate, tentatively, ways and means of harmonising these in detail.

2. In order to arrive at anything more than the most tentative idea of what exchanges are feasible, it is desirable to form some estimate of the value of the various territories or rights, the exchange of which may come into consideration, both to their present and would-be possessors. The values to be estimated consist, not only of such calculable things as areas, populations, and economic resources, actual or potential, but to a large extent of such intangible factors as administrative, strategical, diplomatic, or sentimental considerations.

British Desiderata from the French.

3. The principal British desiderata which it would be advantageous, if possible, to secure from the French are as follows (the grouping is geographical and not in order of importance) :

(1.) French Somaliland.
(2.) Abrogation of French treaty rights in Muscat and Zanzibar and French claims in Sheikh Said or elsewhere in Arabia outside of the portion of the "Arab State" defined as in the French sphere of influence in the Anglo-Franco-Russian Agreement of May 1916.
(3.) The French possessions in India: (a) as a whole; (b) Chandernagore and the loges, compensating France by an increase in the area of Pondicherry.
(4.) Settlement of the New Hebrides question.
(5.) Eastern Pacific Islands: (a) as a whole; (b) Manga Reva, or some other island on the New Zealand-Panama route.
(6.) St. Pierre and Miquelon, with the abandonment of French fishery rights on the Newfoundland Treaty Coast.

4. French Somaliland is not a country of great economic value in itself, though there are considerable possibilities in prospect with the development of Jibuti as the terminus of the railway line to Adis Abeba. Its main importance for us lies in the fact that Jibuti, as the seat of the arms traffic, has been the cause of serious trouble to us in India and adjoining countries, as well as in the Sudan, Uganda, British East Africa, and British Somaliland, trouble which is likely to be greatly increased when the cessation of the present war throws large quantities of cheap arms into the market. (Vide report of the Arms Traffic Sub-Committee.) By acquiring Jibuti and French
Somaliland we should make much more certain of suppressing this traffic than by any agreement with the French based on their co-operation in suppressing it. The acquisition of French Somaliland has also a further contingent value, as facilitating an arrangement with Italy in fulfilment of article 13 of the Treaty of 1915. Its effect would be to eliminate French interests and influence from Abyssinia and to increase correspondingly British and Italian economic and political interests. Lastly, there is possibly some strategic advantage in holding both sides of the Straits of Bab-el-Mandeb.

5. The economic value of French Somaliland to the French is somewhat higher than to us, in consequence of the lucrative character of the arms traffic. The total imports (excluding specie) of French Somaliland in 1913 amounted to 1,357,000\$, of which 319,000\$ came from France, 247,000\$ from the United Kingdom, and 416,000\$ from British possessions. The exports in the same year amounted to 1,909,000\$, of which 323,000\$ went to France, 99,000\$ to the United Kingdom, and 398,000\$ to British possessions. The revenue in recent years has fluctuated between 60,000\$ and 120,000\$. More important still is the fact that it provides the only French coaling station on the way to the East and Madagascar. Upon this fact, and upon the general political and strategic importance of their being established on the Red Sea and at the gateway into Abyssinia, where their influence is defined in the tripartite agreement of the 13th December, 1906 (see Appendix (A)), the French are certain to put a very high, and possibly a prohibitive, value. In other words, it is possible that France may estimate her interest in retaining French Somaliland at a higher valuation than we are disposed to attach to its acquisition, and, if so, the first condition of a bargain is absent. On the other hand, we regard the British interest in acquiring the colony as exceedingly strong, and desire to draw attention to the view of the Arms Traffic Committee that, "having regard to the vital interests at stake, His Majesty's Government would be justified in making heavy sacrifices to obtain the desired results."

6. The exclusion from the bargain of Obok and the immediately surrounding district has been considered by the Committee. Such an exclusion would enable the French to retain a coaling station, and would not seriously impair the general economic and strategic value of the colony to us. But there is every reason to fear that our main desideratum, the suppression of the arms traffic, would not be secured, and that Obok would simply replace Jibuti as its centre. On the other hand, the French would not retain that which they probably value most—the political and other opportunities which are connected with the development of the railway into Abyssinia. On the whole, the Committee are of opinion that a bargain as regards French Somaliland would be rendered valueless, so far as the control of the arms traffic is concerned, by the exclusion of Obok from the exchange.

7. The abrogation of the Anglo-French Declaration of 1862, by which the two Powers undertook reciprocally to respect the independence of the Sultan of Muscat, is recommended as desirable, though not essential, by the Arms Traffic Sub-Committee, in order to put the suppression of the traffic in arms on a permanent basis. Apart, however, from the arms traffic, we are of opinion that it is desirable to eliminate French political interests in Muscat as being inconsistent with our special political and naval position in the Gulf, the maintenance of which, to the exclusion of all other Powers, is in our opinion a matter of vital necessity (see Appendix (B)). Since the acquiescence of the French Government in a stricter regulation of the arms traffic from Muscat in 1912 the trade has very little actual value for them, but the limitation imposed upon our freedom of action by the agreement of 1862 has a political and exchange value to them which cannot be ignored, although in present circumstances it would be difficult for them to press this consideration.

8. The Zanzibar treaties are numerous and complex, but in practice the three which are of chief importance are those of France, the United States, and Germany. That with Germany has presumably lapsed, but we are left with the question of the French and American treaties (as well as with the Portuguese, Italian, Belgian, and Russian treaties, which derive their benefits from the two former under the most-favoured-nation treatment clause). The most embarrassing clauses are those concerned with—
(1.) The remnants of the old consular jurisdiction, which confer obstructive privileges.

(2.) The limitation of the Government of Zanzibar's powers of taxation, and of the imposition of import or export duties.

(3.) The personal inviolability claimed by foreign consuls.

Of these rights it may be said roughly that those given under the first heading are derived from the French treaty, while those under headings (2) and (3) are contained in the treaty with the United States. The privileges conferred by these treaties with the abuses deriving from them have, of course, been extended under the most-favoured-nation clause to other Powers interested.

9. If we are to secure entire freedom of action it must be remembered that negotiations will be necessary with the United States as well as with France, and that, although an agreement with France will be a decided step in the right direction, some of the obstructions will still be perpetuated under the treaty with the United States. The Committee, nevertheless, regard the abrogation of French treaty rights in Zanzibar as desirable, and they suggest that it might be included in any negotiation for territorial exchange with the French, and possibly made one of the conditions of British consent to the permanent occupation of the Cameroons by France.

10. The French claim to Sheikh Said, which is situated in a triangular area measuring some 550 square miles, having the sea as its base and immediately adjoining the frontier of the Aden Protectorate, is mainly based on its purchase, from a local sheikh, by some Frenchmen in 1869, although shadowy French claims date back to the 18th century. They have, however, never been recognised by us or the Turks, who gave us an assurance in 1905 that they would never alienate it under any circumstances, an assurance which was confirmed in 1914. It lies within actual gunshot of Perim, which was shelled from it early in the war. Its inclusion in the Aden Protectorate is therefore necessary for the security of the island (see Appendices (B) and (C)).

11. The Committee recommend that the Turks, who were allowed to reoccupy it in December 1914, after being turned out by us, should be again ejected, and that the place should be taken over by British forces. Its possession by us at the conclusion of the war would be a strong point in our favour. The action which we recommend might not be agreeable to the French, but they could not reasonably object to the expulsion of the Turkish troops. Moreover, our acquisition of Sheikh Said can be justified under the proviso inserted in article 10 of M. Cambon's note of the 9th May, 1916, recording the Anglo-French agreement respecting Arabia, under which our general undertaking not to make annexations in Arabia is subject to a right to make such rectifications on the Aden frontier as are necessitated by recent Turkish aggression. One of the reasons for which this proviso was inserted was the necessity under which we might find ourselves of annexing Sheikh Said, although this was not stated to the French. It has been stated already that we have never recognised French claims to Sheikh Said, but this will probably not prevent the French—whose claims are exhaustively set forth in a recent German work by Dr. Stuhlmann, an extract from which is annexed (see Appendix (D))—from protesting against its retention by us, which may possibly necessitate our offering them a quid pro quo.

12. The French possessions in India consist of Pondicherry and its dependencies, Karikal, Mahé, and Yanaon on the Madras coast, and Chandernagore on the Hooghly, 20 miles north of Calcutta. The French also claim certain rights of jurisdiction over a number of scattered patches of land, known as the loges, the sites of former French factories. The total area of these possessions is about 200 square miles, with a population of 270,000. Their value to us is purely administrative. At present they are all potential centres of sedition, and Chandernagore in particular is a hotbed of anarchism, where assassination can be plotted, with absolute impunity in close proximity to Calcutta. The advantage of eliminating Chandernagore has, indeed, been described by the India Office as a matter of vital importance, compared with which the elimination of the rest of the French possessions and loges is a minor matter. From a military point of view there are objections connected with the possible cable and wireless use of these possessions. On the other hand, their economic value to us is almost a matter of indifference.
13. To the French nation, as apart from the vested interests of deputies, officials, and others, these possessions have chiefly a sentimental value. But it may reasonably be assumed that the sentimental value attaches to the retention of a French foothold in India, and more particularly perhaps to the name of Pondicherry. The separate value of Chandernagore, and the importance of the vested interests connected with it, can only be very small.

14. The probability of our being able to secure the complete elimination of the French from India by any offer which it is worth our while making is problematical. But there ought to be no real difficulty in securing Chandernagore. Negotiations took place in 1857 for the cession of all French territory, except Pondicherry and Karikal, and in 1883-85 for the extinction of French rights in the loges in return for territorial concessions in the Pondicherry region. These broke down, but in 1910 the Government of India submitted a proposal, never actually placed before the French, for ceding to France a considerable area of land near Pondicherry in exchange for the cession of the other territories and rights. The proposal as outlined (see Appendix (E)) would give France about the same population as before, but with an increase of about 50 square miles of territory, and an administratively much more compact and convenient possession, while we should secure the vital object, namely, the elimination of Chandernagore at a trifling cost. This bargain, indeed, is one which we ought not only to be able to secure, but to have a right to insist upon, in view of all the circumstances of the present war. The Committee, in fact, regard the cession of Chandernagore, at any rate, as one of such urgency from the point of view of the peace and good government of India, and therefore of the general welfare of the Allied cause, that they recommend that it should be taken up with the French Government at once, and settled as soon as possible, without waiting for the conclusion of the war or for any general territorial settlement.

15. The Committee are of opinion that in the course of any general settlement it would be desirable to secure from France an undertaking against the alienation of any part of French Indo-China to a third Power.

16. The situation in the Pacific has already been dealt with in the First Interim Report. It was there pointed out that the _condominium_ in the New Hebrides is an admitted failure, and that a partition of the islands would be a difficult and unsatisfactory solution, in view of the extent of the French claims in all the islands. The recommendation made was that the whole of our claims in the New Hebrides should be abandoned to the French in return for the cession to us of the French islands east of the Cook Islands. This would give us, besides a not unreasonable equivalent in economic value, one or more useful coaling stations on the route from New Zealand and Australia to the Panama Canal. As in the case of Pondicherry and Chandernagore, there would be a considerable convenience, from the point of view both of French and of Australasian sentiment, in an exchange of territory within the same geographical area, though it must be remembered that the proposed arrangement is one which will appeal more readily to New Zealand than to Australia which has always resented the presence of the French in the New Hebrides.

17. Failing such a bargain it might be possible, if the arrangement were one which commanded itself to Australia, to secure, in return for the complete cession of the New Hebrides to France, Manga Reva or another good harbour on the route to Panama, together with other concessions. But, even if in this way it were possible to obtain, say, the cession of St. Pierre and Miquelon, the exchange would remain, as far as the Pacific was concerned, very unequal, and it would, of course, be necessary to obtain the consent of the Commonwealth and New Zealand before proposing it. On the other hand, if there were some _desideratum_ outside the Pacific on which the French set a high value, it is conceivable, though not probable, that they might be prepared to purchase it by the abandonment of the whole of their rights in the New Hebrides as well as the cession of a harbour in the Eastern Pacific Islands.

18. The value to France of St. Pierre and Miquelon and of the French fishery rights on the Treaty Coast is now very small, but the nature of the, French rights is such as to be a standing cause of possible friction between the two countries, and of actual administrative inconvenience to Newfoundland. The islands have a great sentimental value to Newfoundland, and the elimination of any possibility of their acquisition by the United States is a matter of great importance, not only to Canada and to Newfoundland, but to
the Empire generally. The present is a specially appropriate time for arranging this, such as is very unlikely to recur. Moreover, their acquisition would be the only addition of territory which the British North American Dominions would receive as the reward of their sacrifices (see Appendix (F)).

Some Probable French Desiderata from the British.

19. The French may very possibly, in the interests of geographical consolidation, put forward very far-reaching proposals which are hardly likely to commend themselves to the British Government. But the following are some of the most probable desiderata which might reasonably be taken into practical consideration:

(1.) Recognition of their right to the whole of the territory now occupied by them in the Cameroons, subject to the rectification of the Nigerian frontier.

(2.) The acquisition of the whole of Togoland, subject to the rectification of the Gold Coast frontier.

(3.) Rectification of the Darfur frontier.

(4.) The Gambia.

20. It was pointed out in the Second Interim Report that we should insist upon the provisional nature of the present partition of the Cameroons in order to secure some quid pro quo elsewhere for our eventual acquiescence in its becoming permanent. But that quid pro quo cannot be very large. The French know we are not likely to dispute their claim to remain in possession, beyond securing what we regard as a satisfactory rectification of the Nigerian frontier. The Committee are of opinion that our acquiescence might very reasonably be made dependent on a similar abandonment by France of some claim elsewhere, e.g., Muscat and Zanzibar, or as a make-weight in some larger transaction.

21. On the other hand the portion of Togoland which we hold under the provisional arrangement will, even after allowing for the rectification of the Gold Coast frontier, be a substantial portion of the whole colony. Moreover, it includes not only the most fertile area, but also the starting point and initial sections of the whole existing railway system. Its value as a channel of entry into the back country is therefore very considerable to the owners of the latter, and the Committee consider that the French should pay a substantial price for its acquisition.

22. The rectification of the western frontier of the Darfur Province so as to include Dar Tama in the French Sudan is a matter to which the French attach importance. It has been recommended by Sir Reginald Wingate, who states that considerable political capital should be made of this concession. He is as yet unable to say whether other concessions of value could be given to the French on that frontier, but he has promised to provide further information on this subject.

23. The Gambia is a flourishing colony with a substantial trade (exports in 1913, not including specie, 562,000£; imports in 1913, 619,000£), and a stable revenue of about 100,000£ a year. It has an area of from 4,000 to 5,000 square miles. It possesses an excellent seaport capable of conversion into a strong naval position, and a waterway which is unique in Africa, since, unlike all other African rivers, the Gambia has neither delta nor bar to obstruct navigation. The river is no less than 27 miles across at the mouth, and 2½ miles wide at Bathurst, the capital. It is safe to enter, as there is never less than 27 feet of water, and it is navigable for some 150 miles by steamers drawing 12 feet, and for some 80 miles further by vessels of 10 feet draught. Bathurst is, moreover, an important link in our wireless communications both for naval and commercial signalling, as it is in a good central position; it is near the trade routes, and has cable communications with St. Vincent (Cape Verde Islands) and thence with England and South America. Sierra Leone is not in such a suitable position, and a wireless station there would be considerably screened by the land to the north-west. A large and important area now covered by Bathurst would not be covered by a similar station at Sierra Leone. It must also be borne in mind that there is a considerable trade between the colony and the United Kingdom and between this colony and other British colonies (exports to the United Kingdom in 1913, 41,000£; imports from the United Kingdom in 1913, 252,000£; imports from British colonies, 94,444£), most of which would
24. The importance of Gambia to the French is, however, considerably greater
than it is to us. It forms a natural entrance into the whole of Western Senegal, and its acquisition would undoubtedly enhance the value of French West Africa as a whole, as well as be a convenience from the administrative point of view. It would be easy for us, if we chose to encourage traffic in arms or to close our eyes to smuggling, to make the Gambia a no less serious embarrassment to the French than Jibuti is to us. From the sentimental point of view, too, the French very much dislike this enclave in their West African Empire. Their anxiety to secure it was shown in 1908, but the terms then offered, viz., abandonment of French rights in Muscat and Zanzibar, were obviously out of the question.

25. The Committee consider that if the French raise the question of the Gambia, we should make it clear that we can only cede it for a really substantial equivalent, such as French Somaliland (including, necessarily, the elimination of French treaty rights in Abyssinia), together with French rights in Muscat and Zanzibar. The cession would be subject, of course, to satisfactory arrangements being made for the security of the interests of the various officials and pensioners, the various missionary and educational establishments, and the interests of the native inhabitants, especially of the chiefs. It would also be very desirable that arrangements should be made for the protection of British trade, but, as indicated above, the French would, no doubt, desire to treat the new territory as part of Senegambia, and to subject it to the same Customs régime.

26. In some instances, particularly where the interests to be surrendered are economic rather than sentimental, it is possible that an exchange, which might otherwise be impossible to arrange, might be facilitated by the remission of a portion of France's indebtedness to us.

27. The most convenient way of arriving at a general settlement with France would be to arrange definite pairs of exchanges, wherever possible in the same geographical areas. For example, a settlement might be arrived at on the basis of the following pairs of exchanges:

(1.) French cession of Chandernagore and other Indian dependencies, except Pondicherry, which would be correspondingly enlarged.

(2.) French cession of Eastern Pacific Islands in return for complete cession of the New Hebrides to France.

(3.) British cession of the Gambia in return for French Somaliland (including the elimination of French rights in Abyssinia) and abandonment of French treaty rights in Muscat and Zanzibar.

(4.) Abandonment of British claims in the Cameroons (subject to the rectification of the Nigerian frontier) and the rectification of the Darfur frontier in return for the cession of St. Pierre and Miquelon and the abandonment of the French fishery rights on the treaty shore.

We should then still have Togoland in hand as a means of amplifying the above settlement, possibly by the complete elimination of the French from India, or by the acquisition of the New Hebrides.

28. But such a settlement by pairs of exchanges may not be possible to arrange. Still less is it possible to lay down such a definite scheme of exchanges beforehand, except as an example, or at most an indication of what might be aimed at. For one thing, it may be difficult to find pairs which are sufficiently equivalent in value. If, for instance, the French declined to cede more than one or two of their Eastern Pacific Islands as against the New Hebrides, there would be a loss on our side which would require to be made good on some other bargain. Again, in the course of negotiations, a number of alternative suggestions are certain to be put forward, ranging from the smallest adjustments to the most comprehensive territorial rearrangements. In the circumstances the Committee do not feel that they can do more than indicate some of
the main desiderata, and to express the opinion that our negotiators should be equipped with the very fullest and most carefully worked out data to enable them to conduct their task successfully.

**Italian Claims and Desiderata from the Allies.**

29. By article 13 of the Treaty under which Italy entered the war (Appendix (H)) it was stipulated that, "in the event of other Powers increasing their African Colonial possessions at the expense of Germany, France and Great Britain recognise in principle the claim of Italy to some ‘equitable compensations,’ notably in the settlement in her favour of questions affecting the boundaries between her Colonies of Erythrea, Somaliland, and Libya and the contiguous French and British Colonies." In the original draft of the Treaty the French Colony of Obock-Jibuti (French Somaliland) is expressly excluded from this promise. The sentence runs as follows:—

"Ces compensations, toutefois, ne seront pas prises sur la Colonie francaise d'Obock-Djibouti, dont le territoire est trop restreint pour etre diminué et la situation trop importante sur la route de l'Indo-Chine et de Madagascar pour permettre une cession quelconque."

The Committee are given to understand that, although the French Government consented to eliminate this reservation from the text of the treaty, they intimated to the Italians that they meant to maintain it in substance.

30. The wording of this article, in so far as it relates to the African colonies, on the face of it does not seem to imply more than rectifications of frontier. The words "equitable compensation" might, however, be taken as pointing to some territorial concession there or elsewhere, or possibly to financial assistance. So far as the African colonies are concerned, it would appear that, if concessions are made to Erythrea, they have to be made by Great Britain on the Sudan frontier; and unless an exchange of French Somaliland for the Gambia were effected, in which case the French Government would contribute indirectly, the extension of Italian Somaliland would also be at the expense exclusively either of British Somaliland or British East Africa, or both. In regard to Libya, it is not known to the Committee what would satisfy the Italians on the French Tunis frontier, and the Committee are ignorant whether the French Government are prepared to meet them in any way.

31. The Egyptian-Libyan frontier, in any case, requires demarcation from the Egyptian point of view. The present line renders the harbour of Sollum, which is Egyptian, untenable by us, while it leaves the adjacent little bay of Porto Bardia equally useless to the Italians (see Appendix (I)). It is suggested by Sir Reginald Wingate that this boundary should be treated independently of other frontiers and on its merits. The line of boundary proposed by Lord Kitchener, which would include Porto Bardia in Egyptian territory, and would thus assure the safety of Sollum could, in his opinion, be made acceptable to Italy, if the Egyptian claim to the Senussist oasis and shrine of Jaghbub were withdrawn and the oasis placed within the Italian sphere. He considers that the exclusion of all entirely Senussist settlements from Egyptian territory is desirable, and would remove a certain source of friction between Egypt and her Italian neighbour. He desires, however, to reserve for the present his final opinion on the cession of Jaghbub.

32. As against the cession of Jaghbub it has been pointed out to the Committee by Sir H. McMahon that the cession of this oasis with the ancestral shrine of the Senussi sect, while liable to offend the sentiment of the Egyptian Government, would deprive us of an influence in Senussi affairs which, in the not impossible contingency of the failure of the Italian Government to control that sect, might hereafter be essential for the preservation of the tranquillity of the Egyptian frontier. The General Staff, moreover, are on military grounds (see Appendix (I)) strongly opposed to the cession of Jaghbub, and also recommend a revision in our favour of the frontier at Sollum. The Committee, however, recognise that this would be the reverse of a settlement of the frontier in favour of Italy, and may be impossible of realisation, even if the question be dealt with independently, as recommended by Sir R. Wingate.

33. Failing that, and in the event of its proving impossible to satisfy Italian claims in any other way, the Committee realise that it may be necessary, whilst retaining Jaghbub, to cede Sollum. The Western frontier of Egypt might then be fixed as follows: Starting from a point along the coast 11 miles east by south of Sollum and continuing in a straight line to the intersection of the 24th meridian of longitude [408]
east with the 30th parallel of latitude north, and thence following the 24th meridian as at present. This concession, although not large territorially, is important to the Italians as Sollum is the starting point of the caravan route to Jaghbub, and a principal market of the Senussi community.

34. In regard to the Sudan frontier of Erythrea, Sir R. Wingate can suggest no transfer of territory that would not seriously complicate tribal affairs, and consequently lead to friction between the neighbouring administrations. Sir Henry McMahon concurs, and points out the vital importance of excluding any other foreign Power from the drainage area of the Tsana Lake and Blue Nile. The Committee are therefore unable to recommend any concession on this frontier.

35. In regard to Italian Somaliland, much would depend upon the possibility of our acquiring French Somaliland, in which case there would be less difficulty—providing that satisfactory arrangements could be made for the food supply of Aden, which at present gets most of its meat from Berbera—in ceding British Somaliland and its hinterland to Italy. This would be more than a mere rectification of frontier and would partake of the nature of "equitable compensation." It is doubtful, however, whether Italy would consider even the cession of the whole of this colony as "equitable" compensation, and it is probable that her aspirations lie in the direction of territorial extension in British East Africa. If this should prove to be the case, it would be necessary to examine her proposals on their merits. With this possibility in mind the Committee are collecting further information from the economic and administrative point of view as regards the Juba valley and the adjacent region of British East Africa, including the port of Kismayu.

36. If no deal is possible over French Somaliland, and if the French refuse compensation to the Italians on the Tunis frontier, the whole onus of fulfilling the treaty obligations will fall on Great Britain. In this case, Great Britain would be equitably entitled to compensation from the French Government, a point which should be borne in mind in our negotiations with that Government.

37. There is, however, the possibility of another solution which is recommended by Sir R. Wingate and by Sir H. McMahon, namely, the adoption of the policy advocated by Lord Kitchener in 1914 of partitioning Abyssinia into spheres of influence. In that case Italy could receive a share which would probably satisfy her aspirations (see Appendix (A)). The Committee understand that this question is now under the consideration of His Majesty's Government. They are therefore unable at present to make any recommendations on this subject.

Anglo-Russian Desiderata.

38. The only British territorial desideratum so far indicated to Russia, in return for British support of the Russian acquisition of Constantinople and the Dardanelles, is the revision of the 1907 Agreement with regard to Persia, so as to include the neutral sphere laid down in that Agreement as part of the British sphere. To this the Russian Government has agreed in principle, though it will probably ask for certain assurances of liberty of action in the Russian sphere (see Appendix (J)). It is understood that this question is being dealt with by another Committee. Other desiderata might presumably concern the position in Chinese Turkestan and Tibet.

Belgium and the Allies.

39. An account of Belgian co-operation in the conquest of German East Africa, and a statement of Belgian claims, will be found in Appendix (K). The Committee are informed that Belgian assistance has been of a substantial character, and that without it warlike operations would have been greatly prolonged. They understand that the Belgian Government have no territorial ambitions in German East Africa beyond a rectification of frontier in the neighbourhood of Lake Kivu, but that they roughly value their acquisitions in German East Africa at:

1. The Kabinda enclave, belonging to Portugal, on the right bank of the Congo, and at a tract of territory on the left bank of the Congo also belonging to Portugal. These tracts are desired in order that Belgium may obtain full control of the mouth of the Congo, and in order to extend the Atlantic coast-line of the Congo State.

2. An indemnity to cover their military expenditure and the losses resulting to the Belgian Congo in the East African campaign.
3. A substantial indemnity for the release of the territory and railway now in Belgian occupation, the latter alone being valued in their opinion at 170,000,000 fr.

4. Such modifications as they may desire in the Berlin General Act.

40. The Committee recognise that it may be difficult to deal with any of these Belgian desiderata entirely independently of the European settlement, but subject to this reservation they recommend that:

1. The Belgian Government should not be permitted to retain any portion of German East Africa, but that His Majesty's Government should be ready to consider favourably a rectification of the Congo frontier near Lake Kivu.

2. His Majesty's Government should be prepared to use their good offices with the Portuguese Government to promote the attainment of Belgian aspirations at the mouth of the Congo.

3. The request for an indemnity to be paid to Belgium, in connection with the Belgian operations in Africa, while it can hardly be separated from the general question of the reparation due to Belgium from Germany, should, if put at the conclusion of the war, be met in a sympathetic and liberal spirit.

Portugal and the Allies.

41. Portugal will have a general claim to recognition from the Allies after the war. As far as territory is concerned, she is understood to be anxious to secure the small triangle of German East Africa between the mouth of the Rovuma and Cape Delgado, and to desire a settlement in her favour of the disputed point as to the exact delimitation of the frontier between Angola and German South-West Africa. But in the main she will expect her reward in the shape of capital to be spent in opening up her present undeveloped territories. There are reasons for believing that there is a strong movement in Portugal in favour of the development of the Portuguese colonies with the help of British capital.

42. In connection with the general position of the Portuguese territories in Africa the Committee draw attention to the point that the war has terminated the Anglo-German agreements of 1898 which made provision for the eventual absorption, by mortgage, of the Portuguese African territories by Great Britain and Germany. The terms of these agreements were briefly that Germany should not object to our acquisition of Portuguese Mozambique south of the Zambesi and west of the Shire, while we should not object to Germany's acquiring the rest of Portuguese Mozambique north of the Zambesi and east of the Shire. As regards Angola, a partition was contemplated: the northern and southern portions being assigned to Germany, while the middle portion was assigned to Great Britain.

43. It is doubtful whether the Portuguese Government would or could agree to any arrangement involving an extensive alienation of Portuguese territories or sovereign rights, except possibly for an equivalent territorial quid pro quo. They are exceedingly sensitive in this respect, more especially as regards Delagoa Bay. It is understood, in fact, that one of the determinant factors for Portugal's active participation in the war was the conviction that military co-operation against the common enemy would render it impossible for a British Government in honour to permit any encroachment on the territorial or sovereign rights of her Ally. As a measure of precaution, however, the Committee suggest that in any arrangements made for financial assistance to Portugal at the conclusion of the war, in connection with the development of her African colonies or otherwise, stipulations should be inserted against the alienation by Portugal of these territories to any other Power.

44. The arguments which make it desirable to eliminate the French from India make it also desirable, though perhaps less urgent, more particularly in respect of cables and wireless telegraphy, to eliminate the Portuguese settlements also. These settlements—Goa, Daman, and Diu—include some 1,500 square miles, with a population of 500,000 and a considerable trade. It would not be easy to find suitable territory to exchange for those settlements in Africa. Portuguese pride would probably forbid their sale, but it might be possible to arrange a long-term lease by transferring to Portugal a portion of the instalments of the French debt to us. With the abrogation of Portuguese direct sovereignty in India, would also go the anachronism by which Portugal still retains the right to appoint six Roman Catholic bishops in British India (see Appendix (L)).
45. The growing importance in modern warfare of cable landing stations, wireless telegraph stations, and submarine bases renders it a matter of serious consequence that no foreign power should acquire any of the Portuguese islands such as the Azores, Madeira, or Cape Verde Islands in the Atlantic, or Portuguese Timor in the East Indies. The Committee recommend that in any general arrangement arrived at with Portugal provision should be made against the alienation of these islands or of the Portuguese colonies in India.

46. The allotment to Japan of Germany's rights in the Shantung Peninsula and of the German Pacific Islands north of the Equator has, it is understood, already been agreed to in principle by the British Government. Where the need for delimitation and adjustment is still required is with regard to the succession to German rights and concessions in China outside the Shantung Peninsula. It is very undesirable from the point of view of India that Japan should establish herself in the provinces of Szechuan and Yunnan, and it is suggested that if Japan is to take over any German interests, they should be confined to the actual province of Shantung and its neighbourhood. The question is exhaustively dealt with in a memorandum (see Appendix (M)) prepared by the Foreign Office for the information of the War Cabinet.

47. The question of the possible acquisition from Spain of Ceuta and some of the surrounding territory in exchange for Gibraltar has been brought before the Committee, who realise that considerable political advantages in our relationship with Spain might accrue from such a transfer. But the naval and military considerations involved are of such highly technical a character that the Committee do not feel themselves competent to make any definite recommendation on the subject. They would urge, however, that the consideration of the question in all its bearings should be undertaken without delay.

48. The recommendations made by the Committee have not taken into account any of the considerations which arise in connection with the possible future development of aviation (see Appendix (H) to Second Interim Report). The Committee are of opinion that it would be desirable that the views of the Air Board, which has not been represented upon the Committee, should be ascertained.

LOUIS MALLET (Chairman).
W. TYRRELL.
GEORGE CLERK.
A. HENRY McMAHON.
H. J. READ.
HENRY LAMBERT.
CHARLES STRACHEY.
T. W. HOLDBERNESS.
ISLINGTON.
G. M. W. MACDONOGH.
F. MAURICE.
A. K. WILSON.
W. F. NICHOLSON.
H. LLEWELLYN SMITH.
H. FOUNTAIN.
P. ASHLEY.

2, Whitehall Gardens, S.W.,
March 28, 1917.
APPENDIX (A).

AGREEMENT BETWEEN THE UNITED KINGDOM, FRANCE, AND ITALY RESPECTING ABYSSINIA, SIGNED AT LONDON, DECEMBER 13, 1906.

(Translation.)

IT being the common interest of France, Great Britain, and Italy to maintain intact the integrity of Ethiopia, to provide for every kind of disturbance in the political conditions of the Ethiopian Empire, to come to a mutual understanding in regard to their attitude in the event of any change in the situation arising in Ethiopia, and to prevent the action of the three States in protecting their respective interests, both in the British, French, and Italian possessions bordering on Ethiopia and in Ethiopia itself, resulting in injury to the interests of any of the a, the Government of the French Republic, the Government of His Britannic Majesty, and the Government of Italy have assented to the following Agreement:

Article 1. France, Great Britain, and Italy shall co-operate in maintaining the political and territorial status quo in Ethiopia as determined by the state of affairs at present existing, and by the following Agreements:

(a.) The Anglo-Italian Protocols of the 24th March and 15th April, 1891, and of 5th May, 1894, and the subsequent Agreements modifying them, including the reserves formulated by the French Government in 1894 and 1895;
(b.) The Anglo-Ethiopian Convention of 14th May, 1897, and its annexes;
(c.) The Italo-Ethiopian Treaty of 10th July, 1900;
(d.) The Anglo-African Treaty of 15th May, 1902;
(e.) The note annexed to the above-mentioned Treaty of 15th May, 1902;
(f.) The Convention of 11th March, 1882, between France and the Damakils;
(g.) The Anglo-French Agreement of 2nd-9th February, 1888;
(h.) The Franco-Italian Protocols of 24th January, 1900, and 10th July, 1901, for the delimitation of the French and Italian possessions on the littoral of the Red Sea and the Gulf of Aden;
(j.) The Franco-Ethiopian Frontier Convention of 20th March, 1897.

It is understood that the various Conventions mentioned in this article do not in any way infringe the sovereign rights of the Emperor of Abyssinia, and in no respect modify the relations between the three Powers and the Ethiopian Empire as stipulated in the present Agreement.

Art. 2. As regards demands for agricultural, commercial, and industrial concessions in Ethiopia, the three Powers undertake to instruct their representatives to act in such a way that concessions which may be accorded in the interest of one of the three States may not be injurious to the interests of the two others.

Art. 3. In the event of rivalries or internal changes in Ethiopia, the representatives of France, Great Britain, and Italy shall observe a neutral attitude, abstaining from all intervention in the internal affairs of the country, and confining themselves to such action as may be, by common consent, considered necessary for the protection of the legations, of the lives and property of foreigners, and of the common interests of the three Powers. In no case shall one of the three Governments interfere in any manner whatsoever, except in agreement with the other two.

Art. 4. In the event of the status quo laid down in Article 1 being disturbed, France, Great Britain, and Italy shall make every effort to preserve the integrity of Ethiopia. In any case, they shall concert together, on the basis of the Agreements enumerated in the above-mentioned article, in order to safeguard:

(a.) The interests of Great Britain and Egypt in the Nile Basin, more especially as regards the regulation of the waters of that river and its tributaries (due consideration being paid to local interests), without prejudice to Italian interests mentioned in paragraph (b);
(b.) The interests of Italy in Ethiopia as regards Erythrea and Somaliland (including the Benadir), more especially with reference to the hinterland of her possessions and the territorial connection between them to the west of Adis Ababa;
(c.) The interests of France in Ethiopia as regards the French Protectorate on the Somali Coast, the hinterland of this Protectorate and the zone necessary for the construction and working of the railway from Jibuti to Adis Ababa.
Art. 5. The French Government communicates to the British and Italian Governments:

(1.) The concession of the Franco-Ethiopian Railway of 9th March, 1894;
(2.) A communication from the Emperor Menelik dated 8th August, 1904, the translation of which is annexed to the present Agreement, inviting the company to whom the above concession was granted to construct the second section of the line from Dire Dawa to Adis Ababa;

Art. 6. The three Governments agree that the Jibuti Railway shall be prolonged from Dire Dawa to Adis Ababa, with a branch line to Harrar eventually, either by the Ethiopian Railway Company in virtue of the deeds enumerated in the preceding article, or by any other private French company which may be substituted therefor, with the consent of the French Government, on condition that the nationals of the three countries shall enjoy in all matters of trade and transit absolute equality of treatment on the railway and in the port of Jibuti. Goods shall not be subject to any fiscal transit duty levied for the benefit of the French colony or Treasury.

Art. 7. The French Government will endeavour to arrange that an English, an Italian, and an Abyssinian Representative shall be appointed to the Board of the French Company or Companies which may be entrusted with the construction and working of the railway from Jibuti to Adis Ababa. The British and Italian Governments will reciprocally endeavour to arrange that a French Director shall in like manner and on the same conditions be appointed to the Board of any English or Italian Company which has been or may be formed for the construction or working of railways running from any point in Abyssinia to any point in the adjoining English or Italian territory. It is likewise agreed that the nationals of the three countries shall enjoy in all matters of trade and transit absolute equality of treatment, both on the railways which may be constructed by English or Italian Companies, and in the English or Italian ports from which these railways may start. Goods shall not be subject to any fiscal transit duty levied for the benefit of the British or Italian Colonies or Treasuries.

The three Signatory Powers agree to extend to the nationals of all other countries the benefit of the provisions of articles 6 and 7 relating to equality of treatment as regards trade and transit.

Art. 8. The French Government will abstain from all interference as regards the Concession previously granted beyond Adis Ababa.

Art. 9. The three Governments are agreed that all railway construction in Abyssinia west of Adis Ababa shall, in so far as foreign assistance is required, be carried out under the auspices of Great Britain. The three Governments are also agreed that all construction of railways in Ethiopia, joining the Benadir to Erythrea to the west of Adis Ababa, shall, in so far as foreign assistance is required, be carried out under the auspices of Italy.

The Government of His Britannic Majesty reserve to themselves the right, in case of need, to make use of the authorisation granted by the Emperor Menelik on the 28th August, 1904, to construct a railway from British Somaliland through Ethiopia to the Soudanese frontier, on condition, however, that they previously come to an agreement with the French and Italian Governments, the three Governments undertaking not to construct without previous agreement any line entering Abyssinian territory or intended to join the Abyssinian lines, which would compete directly with those established under the auspices of any one of them.

Art. 10. The Representatives of the three Powers will keep each other fully informed, and will co-operate for the protection of their respective interests. In the event of the British, French, and Italian Representatives being unable to agree, they will refer to their respective Governments, suspending all action meanwhile.

Art. 11. Beyond the Agreements enumerated in articles 1 and 5 of the present Convention, no Agreement concluded by any one of the Contracting Powers concerning Ethiopia shall affect the other Signatory Powers of the present Agreement.

Done at London, 13th December, 1906.

E. GREY.
PAUL CAMBON.
A. DE SAN GIULIANO.
APPENDIX (B).

I.

SHEIKH SAID AND MUSCAT.

Note by the Admiralty.

THE inclusion of Sheikh Said within the Aden Protectorate is, as has been shown from the experience of this war, necessary for the security of Perim. This is essentially in the nature of a military rectification of frontier, and it may therefore be assumed that it was present to the mind of the French Government when they assented to "such rectification of the Aden frontier as may be deemed necessary in consequence of recent Turkish aggression." It is difficult to believe that in face of this assent they will seriously press their shadowy claim to Sheikh Said, even though the passage quoted may not in itself have any relevance to existing French interests.

In the opinion of the Admiralty, it should be made clear in any discussions with the French that the inclusion of Sheikh Said in the Aden Protectorate is considered by us to be covered by the "necessary rectification" of the Aden frontier, which is specially excepted in paragraph 10 of the Arab State Agreement.

The position as regards Muscat is dealt with in detail in the annexed memorandum by Sir Edmond Slade. Part of this memorandum will more directly concern the Persia Sub-Committee, but the significance of matters in Muscat lies in their relation to the general situation in the Persian Gulf.

From this memorandum, which has the general concurrence of the Admiralty, it will be seen that the danger of French claims in Muscat is not considered serious when once the Arms Traffic question has been satisfactorily settled. Provided no territorial rights can be acquired, by France or any other Power, in Muscat or elsewhere in the Gulf of Oman or Persian Gulf, we are not likely ourselves to want the Musandim Peninsula or other territory on the southern side of the entrance of the Gulf. The complete exclusion of all French interests from Muscat would be a convenience, but cannot be described as a necessity from a naval standpoint.

The settlement of the Arms Traffic question is of course a naval as well as a political and military interest, and it is assumed in the foregoing remarks that a satisfactory settlement will be arranged.

Admiralty, November 4, 1916.

II.

THE POLITICAL POSITION IN THE PERSIAN GULF AT THE END OF THE WAR.

Memorandum by Vice-Admiral Sir Edmond Slade.

It must be assumed that we do not intend to abrogate any of our actual rights and position as the paramount Power in the Persian Gulf which has been acknowledged now for practically a century without any rival. Our Treaties with the local Chiefs begin about the year 1820, and since that time we have systematically asserted our supremacy and have maintained peace and freedom for maritime traffic within the Gulf. This has not been done without the expenditure of life and money, but on the whole there have been few relapses, and notwithstanding the wild and lawless nature of the tribes inhabiting its coasts, the Persian Gulf has been wonderfully free from serious trouble.

So far we have not annexed any territory (with the exception of a square mile of land at Basidu at the western end of the Island of Kishm in 1820), on either side of the Gulf, but we have a practical protectorate over the pirate coast of a somewhat indefinite character, a more definite protectorate over Bahrain, and concessions for telegraph stations at Bushire, Henjum, Jashik, and Charbar in Persia. These stations are held by the Government of India, and a small number of troops are maintained at them for local defence against marauders.

At the end of the 18th century, the Sultan of Muscat exercised a much greater influence in the Gulf than he does at present, and in 1798 a treaty was concluded with him for the purpose of excluding French influence from his territories. At that time Muscat and Zanzibar were under the same ruler, and he also held large territories on the Persian coast, including Bander Abbas and Kishm.
In 1856, when the then Sultan died, the Persian territories, including the islands, had been lost, the dispute as to which of his sons should succeed him being settled by the Viceroy by the separation of the two territories of Muscat and Zanzibar. Zanzibar was assigned to one brother, who agreed, in consideration of receiving the richer share, to pay a subsidy of 5,760£ a year to the other, who took Muscat.

In 1873 the British Government took over the payment of this subsidy as consideration for certain settlements with Zanzibar concerning the Slave Trade, and the payments have been made regularly ever since, subject to good behaviour on the part of the Sultan. The occasions on which payment has been withheld are very rare. The Government of India has always supported the reigning Sultan, and at times has given him effective assistance to maintain his position; in fact, without British support, Muscat would have ceased to exist as a State under the present dynasty long ago.

Although the Treaty of 1796 aimed at excluding France altogether from Muscat in the course of the first half of the 19th century, she succeeded in obtaining such treaties with the Sultan that, when the partition was decided upon, the Government felt obliged to consult her about it. In 1862 as the result of fresh pressure on the part of the French, an agreement was signed by which each country undertook to respect the independence of Muscat and Zanzibar.

Muscat has commercial treaties with the United States, France, and the Netherlands besides the treaties with Great Britain, and these treaties have at one time or another been a source of considerable embarrassment in our dealings with that State.

In 1891 the Sultan entered into an agreement with His Majesty's Government never to cede, sell, mortgage, or otherwise give for occupation, any of the territories of Muscat or her dependencies, except to Great Britain, but in 1894 France, instigated it is thought by Russia, sent a vice-consul to Muscat who immediately began to intrigue against us. The result was the French endeavour to obtain the lease of Bandar Gisseh as a coaling station, which was objected to by Great Britain on the ground that the Sultan was not at liberty to alienate any territory by reason of the Treaty of 1891, and also that it was contrary to the stipulation of the Treaty of 1862, whereby each country agreed to respect the territorial integrity of Muscat.

It was finally agreed that France could have a coaling station on the same terms as those on which Great Britain holds her coaling station, namely, on sufferance, and, in fact, a small portion of the latter was handed over to the French, who have, however, never made effective use of it.

Arising out of the activities of the French consul at Muscat a further dispute arose between His Majesty's Government and France over the right of dhows, which had been entered at the French Consulate as the property of French proteges, and therefore as being entitled to French protection, to fly the French flag, and in consequence to be immune from the right of visit and search by British cruisers engaged in either the suppression of the slave trade or the arms traffic.

This right, if substantiated, would have enabled the French, in whose hands the greater part of the arms traffic was centred, to have carried it on in spite of all our efforts to stop it. The dispute was referred to The Hague, and the award was in effect to put a term to the practice of granting French protection, but recognising the vessels already registered. No person who was not a bond fide French protegé before 1862 can claim to continue a licence in the event of a licensed dhow being lost.

The arms traffic, as stated above, was mainly in the hands of the French agents, and there were several firms involved, but the effect of systematic operations to kill the trade was to make it so unprofitable as to drive them all out except one firm, that of M. Goguyer. This firm, which has also large interests in the arms trade at Jibuti, obtained considerable hold over the Sultan by advancing him money against the Customs receipts, and, in consequence, it has always been a most difficult matter to deal with them. Their position, however, in 1914 had been considerably weakened, and it is probable that they could be bought out if it was considered advisable to do so.

If this firm could be induced to withdraw entirely from Muscat, there would then be no French interests, except on paper, to prevent us from coming to an agreement with them if necessary.

It will be seen from the chart that we already hold certain rights over a considerable portion of the coast at the southern entrance to the Persian Gulf, and that little more is required than to consolidate our position. The Musandum Peninsula, which has been recognised as belonging to Muscat, is separated from that State by a strip of territory belonging to the Trucial Chief, the Sheikh of Sharjah, whose domains
are subject to an ill-defined British protectorate. It would perhaps be possible to round it off by absorbing the Musandim Peninsula, but it is not necessary so long as no other nation is allowed to obtain a footing there. From this point of view it might be as well to maintain the Anglo-French Agreement of 1862, because it would probably assist in this object. If we come to the conclusion that it is not necessary actually to absorb the Peninsula so as to safeguard our position at the entrance to the Gulf, we shall not have to ask France to abandon the Treaty of 1862, which may considerably simplify our negotiations with her. All we really want from her is a recognition of our Treaty of 1891 with the Sultan and an agreement about the arms traffic, and this should form part of the general settlement, including not only the Persian Gulf, but also Jibuti, Abyssinia, Somaliland, and the Red Sea.

As a naval station the Musandim Peninsula is of little use. The anchorages are all bad, and in the summer time the climate is insupportable. Kubbat Ghazira is the only one that appeared to have decent holding ground, but even that was not good. Khor Kawi, which has been reported on as a suitable anchorage, I know from practical experience during the operations on the Biyaban coast in 1910 not to be safe.

The situation with regard to the Persian side is more important on account of the Admiralty interest in the Anglo-Persian oil concession, and the consequent necessity of securing that under no possible circumstances can we be disturbed in our enjoyment of those rights.

The concession covers the whole of Persia except the provinces bordering on the Caspian, and the area over which oil is known to exist is about equal to that of France and Germany combined. So far two prolific fields have been struck, but only a small part of the concession has been examined. We are drawing oil from one of these fields in large and increasing quantities.

The importance of this concession lies in the fact that, if our hold over it is consolidated, it will enable us to make ourselves entirely independent of the United States for all oil products. After the present war is over anything may happen while the world is settling down to normal peace conditions again and readjusting their commercial relations. If we remain dependent on the United States for the greater part of our oil fuel, as at present, our hands are tied; it is therefore of supreme importance to provide ourselves with an alternative source of supply which is independent of foreign control at the earliest possible moment.

The only known large source from which oil can be drawn that is not under foreign control is covered by the Anglo-Persian concession, and it is therefore important that we consolidate our position there and secure, so far as it is possible, our hold on the oil-producing lands.

The importance of this is best illustrated by figures. The war expenditure of oil fuel is at the rate of 3,000,000 tons a year, and it will probably shortly reach the rate of 3,500,000 tons. At the present moment our estimated supplies for the next twelve months will come from:

<table>
<thead>
<tr>
<th>Source</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>2,000,000</td>
</tr>
<tr>
<td>British Colonies</td>
<td>50,000</td>
</tr>
<tr>
<td>British India</td>
<td>19,000</td>
</tr>
<tr>
<td>Anglo-Persian</td>
<td>400,000</td>
</tr>
<tr>
<td>Mexico</td>
<td>300,000</td>
</tr>
<tr>
<td>Borneo</td>
<td>45,000</td>
</tr>
<tr>
<td>United Kingdom shale oil</td>
<td>35,000</td>
</tr>
<tr>
<td>&quot; creosote</td>
<td>65,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,908,000</strong></td>
</tr>
</tbody>
</table>

It is under consideration to push forward the development of the Anglo-Persian field, so that we may be able to draw from it:

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1917</td>
<td>600,000</td>
</tr>
<tr>
<td>1918</td>
<td>1,000,000</td>
</tr>
<tr>
<td>1919</td>
<td>1,000,000</td>
</tr>
<tr>
<td>1920</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

In this manner we shall be in the position of being able to make ourselves independent of the United States for this vital commodity. Every 1,000,000 tons of crude oil will give on refining approximately 600,000 to 700,000 tons fuel oil, 90,000 tons petrol, 80,000 tons lighting oil, 20,000 lubricating oil, 15,000 paraffin wax, besides other products. We shall therefore also be able to [408]
supply a large part of other necessary petroleum products besides fuel oil from a source which is free of the control of the United States.

Oil fuel is rapidly taking the place of coal, and it is therefore of the utmost importance to the Admiralty to see that the country secures the control of as large sources of supply as possible. A great deal of the success with which we have been able to control neutral shipping has been due to our control of coal, and we must at all costs endeavour to continue that control even though oil takes the place of coal. The present oil-field that is being worked is a very rich one, but it is not inexhaustible, and we must look to extend our operations over the whole area of the concession, but in order to do so political control is absolutely essential.

We own the rights in Persia, and we must control that portion of the country in which oil is found in such a way that it can be got at and exported to us in safety.

There are, besides, indications of oil in Mesopotamia, Koweit, Bahrein, and in Arabia. It is important to secure control of all the oil rights in these areas so that no other Power can exploit them for their benefit.

In Mesopotamia and Arabia the oil rights should be expressly reserved in those territories which will form the projected Arab State. In Koweit the late Sheikh has given His Majesty's Government certain undertakings, and these should be confirmed by his successor. In Bahrein the Government of India has been requested to see that the oil rights are not let to any but British firms. In that part of Mesopotamia over which His Majesty's Government will retain direct administrative authority similar precautions should be taken.

In order that there should be proper supervision over the navigation of the Shatt-al-Arab, it is necessary that British control should be maintained over it, and that no foreign interest should be allowed to obtain a footing. The traffic in and out with oil alone will render it necessary to maintain the waterway always open and free from vexatious restrictions, such as might be imposed if the river comes under any other control than British. The total number of vessels annually going to Abadan for oil may be expected to exceed 300 in a few years' time, and therefore the matter is one of importance.

The position that we should try to obtain therefore is that the provinces of Kermansah, Luristan, Arabistan, and the Bakhtari country, Fars, including Luristan, Kerman, including Bashakird and Makran, must be entirely under British control. We shall then be able to develop the oil concession in such a manner as to ensure that while drawing sufficient for our needs we conserve our supplies as much as possible. We shall also be able to push the development of other minerals, of which there is reported to be a considerable quantity, particularly in Kerman and Fars.

If we cannot obtain the complete control of these provinces in Persia, we should at least complete the negotiations that have already been commenced with the Persian Government for the transfer of the islands to British sovereignty. This will give us the virtual control of the Gulf, and with it sufficient influence to maintain order, at any rate, in the coastal districts, so long as other European interests are not allowed to obtain a footing in Southern Persia.

Closely connected with the problem of the development of the oil resources of Persia is that of the railways, and the two ought to be dealt with together. The oil will supply cheap fuel, which is necessary for the economical development of the railways, and therefore it is important to plan them with a view of tapping the oil districts.

On the Arabian side of the Gulf we should obtain the confirmation of the arrangements made with the late Sheikh of Koweit, and an agreement with the present Sheikh to give us full rights to explore and develop any oil that may be found in his territories.

October 31, 1916.

E. J. W. SLADE.
APPENDIX (C).

EXTRACT FROM INDIA OFFICE MEMORANDUM.

Sheikh Said.

WE have given assurances to the Arabs that we do not intend to make annexations, and we have agreed jointly with the French not to do so—with the proviso, however, that "ceci n'empechera pas telle rectification de la frontier d'Aden qui pourra etre jugee necessaire, par suite de la recente agression des Turcs" (article 10 of M. Cambon's note referred to above). This proviso was inserted for two reasons:

(a.) Because it is not certain that the existing frontier divides the tribes in the best possible way.

(b.) Because we might find it necessary to take over Sheikh Said.

This fortified promontory is within gunshot of our station on Perim Island, which has, in fact, been bombarded from it during the war. We ejected the Turks in December 1914, but allowed them to return, and they have been entrenched there ever since. It may seem desirable, in order to make a repetition impossible, and at the same time to secure Sheikh Said against French claim, to annex the peninsula. The Government of India are content to leave it to the neighbouring Arabs. In that case we must induce the French formally to withdraw their claim, whether in virtue of the terms of our agreement or by offering them compensation elsewhere. Their claim dates from 1869, when two Frenchmen purchased the place from the local Sheikh for 80,000 dollars. The Porte denied the right of the Sheikh to sell, but the French, though they occupied the place for a very short time, have never abandoned their interest in it, and have always evaded recognising it as Turkish territory. In 1893 M. Deloncle urged in the Chamber the importance of occupying it; and as recently as November 1914 a company styling itself the "Ouest Asiatique Compagnie Internationale de l'Arabie" claimed to have acquired the rights of the original proprietors. It appeared on enquiry that the company was not registered, and that its spokesman was "of the shadiest character" (Sir F. Bertie, No. 9, 10th January, 1915). Nothing more has been heard of it, but it would seem desirable to set the question at rest once for all.

It should be noticed that Sheikh Said is situated in a triangular area, measuring some 550 square miles, having the sea at its base, and immediately adjoining the frontier of the Aden Protectorate, which the Turkish Government agreed, after the Aden Delimitation Commission in 1905, not to alienate "de quelque maniere que ce soit." An instrument confirming this agreement was signed on the 9th March, 1914, and was awaiting ratification when the war broke out (Appendix (C)). The ejection of the Turks from Arabia will thus expose this piece of territory—a fact which makes it desirable that we should not tie our hands more tightly than is necessary in this region.

APPENDIX (D).

EXTRACT FROM DR. FRANZ STUHLMANN'S "THE FIGHT FOR ARABIA BETWEEN TURKEY AND ENGLAND." (CHAPTER VIII.)

Sheikh Said.

IN 1734 Admiral la Bourdonnais obtained a cession of the Cape from the native Sultan. Louis XVI is even said to have kept an agent there. Napoleon Bonaparte instructed General Bon to occupy the place, but nothing was done. In 1828 Mehemed Ali was instructed by the French Government to occupy it. When he wished to do so ten years later, the French Government no longer supported him, for England opposed this expedition. When England in 1839 had occupied Aden, and in 1857 Perim, her
interest in Sheikh Said was perhaps lost. At all events, she allowed the district to be sold to a French company in 1868, and the contract was registered by the French Consulate in Aden on the 14th October, 1868. England tried to upset the purchase and caused the Governor of the Hejaz to protest on the ground that Sheikh Said belonged to Turkey. The French Ministry of Perim sent Lieutenant Vidal to the spot, who established the validity of the contract, which was confirmed on the 21st December, 1869, the period for payment being prolonged to the 1st December, 1870. Payments were made regularly. The Société de Bab el-Mandeb (founded by MM. Rabaud Bazin, of Marseilles) sent a comité d'études to Arabia. On the 4th June, 1870, the Governor of Mocha occupied Sheikh Said, and the French consul at Aden protested. After negotiations in Paris and Constantinople, the Turks admitted the regularity of the purchase, but as the Governor of Mocha did not withdraw, the company stopped its payments to the Sheikh and interrupted its work. In 1873 Rear-Admiral Lallemand deposited oil, and probably also coal, at Sheikh Said. In 1876 Monsieur Suel tried to sell the district to the French Government, but consideration of the proposal was deferred. In 1884 the Italian Government approached the Marseilles company with a view to sale. Two million francs were asked. It was said that Germany, Russia, England, and Spain were interested, but that the others went no further in the matter for fear of annoying England. In 1885 the French traveller Soleillet wrote "one of the keys of the Red Sea is in our hands. Shall we abandon it? By occupying Sheikh Said we can keep the Suez Canal open." On the 7th December, 1896, Deloncle maintained French rights at Sheikh Said in the French Chamber. It is said that in 1898 France bought the district from the company and declared it a French colony. Nevertheless, the Turkish Government sent troops there on the 19th October, 1902. A new attack was begun by French interests in 1904. M. Presson-Rolland, afterwards editor of the "Dépêche de Toulouse," concluded a new contract with the son of the Sultan, Mohamed Ali Tahat Durein, who had died in the meantime; but the purchase was dissuaded by his Government. During the war between Italy and Turkey the Turkish garrison was increased to 4,000. At the end of 1913 French interests made another attempt. M. Albert Corbie, who has written a book on the subject, and who was clearly the head of the Cabinet d'Études techniques des Houillères et du Port de Cheikh Said, visited Jibuti in October. Apparently he received no encouragement from the Governor of Jibuti or the French vice-consul at Aden; and when it proved impossible to go to Sheikh Said, owing to the presence of the Turkish garrison, he was obliged to return to France.

* * *

"It is very important at the conclusion of a peace favourable to Turkey to examine the question of Sheikh Said closely, and, if possible, to secure that the frontier with English territory is carried at some distance from the cape, and not in accordance with the demarcation of 1905. It will be for consideration later, after careful military and technical study, whether not only strong Turkish fortifications, but also harbour works can be constructed there, and whether it is possible to bring a railway from the north there. At all events, Sheikh Said is for the Red Sea an extraordinarily important place."

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**APPENDIX (E).**

**MEMORANDUM BY THE INDIA OFFICE.**

**French Possessions in India.**

1. The French possessions in India fall under two heads, viz.:

   (1) Settlements held in full sovereignty and administered by French resident officials; and

   (2) Certain scattered patches of land, known as the Loges, the sites of former French factories, over which the French Government claim to exercise certain rights of jurisdiction.
The French Settlements.

2. The Settlements are five in number, viz.:

<table>
<thead>
<tr>
<th>Area in Square Miles</th>
<th>Population in 1801</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1.) Pondicherry and its dependencies</td>
<td>115</td>
</tr>
<tr>
<td>(2.) Karikal</td>
<td>53</td>
</tr>
<tr>
<td>(3.) Mahé</td>
<td>53</td>
</tr>
<tr>
<td>(4.) Yanaon</td>
<td>5</td>
</tr>
<tr>
<td>(5.) Chandernagore</td>
<td>4</td>
</tr>
</tbody>
</table>

Of these, Nos. 1-4 are all situated on the coast and within the limits of the Madras Presidency. Chandernagore is on the River Hooghly, some 20 miles north of Calcutta. The Pondicherry Settlement, it may be observed, is not a compact block of territory, but comprises, besides the main settlement on the coast, in which the town of Pondicherry is situated, some ten isolated strips of French territory in the adjoining British district. The main settlement itself is very irregular in shape, dovetailing in and out with British territory; it also contains a British enclave approximately in its centre.

The Loges.

3. The French Loges are situated at the following places:

<table>
<thead>
<tr>
<th>Province</th>
<th>Area of Loge</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1.) Masulipatam</td>
<td>Madras</td>
</tr>
<tr>
<td>(2.) Calicut</td>
<td></td>
</tr>
<tr>
<td>(3.) Dacca (2)</td>
<td>Bengal</td>
</tr>
<tr>
<td>(4.) Balesore</td>
<td>Bihar and Orissa</td>
</tr>
<tr>
<td>(5.) Ghoorpuda (2)</td>
<td></td>
</tr>
<tr>
<td>(6.) Surat (2)</td>
<td>Bombay</td>
</tr>
</tbody>
</table>

The French also claim rights, or did when the question was under discussion in 1885, over further small areas at (7) Patna, in Bihar and Orissa, and at (8) Casimbazar and (9) Jugdea or Jongdia, in Bengal. The Government of India reported, however, on the 11th September, 1885, that "there is no evidence forthcoming that since 1815 the French have exercised any rights in the ancient loges" at these three places. Another place at which there was formerly a French factory is (10) Berhampore, in Bengal. As to this place the Bengal Government reported in 1882:

"There was formerly a loge . . . . in Berhampore, but it is no longer in existence; the land on which the factory buildings stood was held on lease by the French, but it always has been, and is now, under the jurisdiction of the British Courts."

The French do not appear to have claimed this loge in 1885, and could presumably assert no claim to it now.*

* In August 1884 the draft of a convention was handed to the French Government, of which the preamble ran as follows:

" Whereas certain rights and privileges are possessed and exercised by France in the parcels of land designated 'factories' or 'loges,' situated at the following places, namely:

(1.) At Masulipatam, in the Madras Presidency.
(2.) At Calicut.
(3.) At Surat, in the Bombay Presidency.
(4.) At Mouza Balesore, in Bengal.
(5.) At Mouza Ghoorpudah, in Bengal; and whereas, &c."

Commenting on the draft convention in a note to Lord Granville dated January 19, 1885, the French Ambassador remarked:

"Ce projet, en énumérant celles des localités situées sous la juridiction de la France qui seraient l'objet de la transaction, ne fait pas mention des autres loges françaises qui existent également, à l'état d'enclaves, dans les Indes anglaises, telles que celles de Patna, Patna, Casimbazar et Yangdia";

and M. Waddington went on to ask for an assurance that there was no intention to call in question the rights of the French Government at these places. He did not mention Berhampore.

It is to be noted, however, that Berhampore is among the places mentioned by the "Imperial Gazetteer" (vol iv, p. 123) in the passage dealing with the French loges in India.

[408]
French Rights in the Loges.

4. Even in the areas where the rights of the French Government are more substantial, the extent to which French authority is either admitted or exercised varies in the different cases. Thus, as regards the Dacca Loges, the Government of India reported in 1883 that though the French Government still retained “proprietary rights” in the two plots, they had exercised no “jurisdictional authority” within them for sixty years; and when the limits of these areas were fixed by local British and French officials in 1908, the Government of India were careful to remind the French authorities that “sovereign rights over the Dacca Loges lie exclusively with the British Government.” On the other hand the French Government apparently regard the two plots at Surat as territory under full French sovereignty, and claim (though we have never admitted the claim) to exercise full and complete jurisdiction over them. As to the two Loges in the Madras Presidency (Masulipatam and Calicut), the Madras Government reported in 1909 that “all essential rights” are exercised by the British Government, although (i) no municipal taxation is levied, and (ii) the French authorities exercise civil jurisdiction in suits which litigants institute before them. At Balasore, as the Bengal Government reported in 1888, the French Loge “has . . . been regarded as the territory of a foreign Power exempt from the jurisdiction of the British Courts,” a doctrine which has resulted in serious administrative inconveniences and abuses.* The question of this Loge was brought to the notice of the Government of India by the Local Government (Bihar and Orissa) in July 1914.

Past Negotiations.

5. Negotiations on the subject of the French Settlements in India passed between the French and British Governments in 1857 and again in 1883–85. On the former occasion the object aimed at was the cession of all French territory except Pondicherry and Karikal; on the latter, the extinction of French rights in the Loges in return for territorial concessions in the Pondicherry region. On neither occasion was any agreement reached.†

The question was tentatively raised in 1901 and 1904; but it did not again engage the serious attention of the Government of India and His Majesty’s Government until 1909–10, when it was revived in connection with the negotiations then in progress with the French Government regarding the Maa’s arms traffic. In a dispatch dated the 30th June, 1910, the Government of India submitted proposals for the cession to France of a considerable area of land in the neighbourhood of Pondicherry in exchange for the surrender to Great Britain of all the French settlements in India, other than Pondicherry and the surrounding district, as well as of the scattered Loges. The area to be ceded to France covered about 138 square miles; its population was estimated at 98,300, and its annual revenue at about 2,75,000 rupees (18,333L). The territory to be ceded to Great Britain (i.e., the four settlements of Karikal, Mahé, Yannam, and Chandernagore) amounted in all to about 48 square miles, with a population of some 98,700 persons. The revenue of the French settlements was not known. The Government of India supported their proposals on the ground that “we should derive very considerable advantages from the concentration of French territory in one compact area and from the control which we should obtain over that dangerous centre of sedition, Chandernagore.”

Chandernagore.

6. In the event, the Government of India’s proposals were never placed before the French Government. But the question of Chandernagore, which had become more and more prominent in connection with Indian sedition, was revived by the Viceroy in October 1913. Lord Hardinge pointed out that this town, which was to all intents and purposes a suburb of Calcutta, had become the centre of the chief and most dangerous anarchical conspiracy in India, to which could be traced a number of recent outrages, including in all probability the attack made upon the Viceroy himself in December 1912. The position of the Government of India had been rendered intolerable by the existence, within a few miles of Calcutta, of an anarchist centre where plans could be hatched, bombs manufactured, arms imported, emissaries instructed, and youths deprived with absolute impunity. Other places might have their seditious organisations, but they

* Similar inconveniences at Surat led to a proposal by the Bombay Government in 1912 that an endeavour should be made to obtain a lease of the French lands by local negotiation. The proposal was negatived.

†
were at least amenable to British law, whereas at Chandernagore our police and
magistracy were quite impotent, and, even if the French Government were to send out
instructions for more rigorous action, the local authorities were too weak to carry them
out. In view of the growing danger of the situation, Lord Hardinge strongly pressed
upon His Majesty’s Government the necessity of coming to some arrangement with
France for the transfer of Chandernagore, whether by cession or lease, to British
jurisdiction. He threw out the suggestion of a twenty years’ lease, failing a more
satisfactory arrangement. As a result of the Viceroy’s representations, the matter was
brought informally to the notice of the French Government; and Sir E. Grey, during
his visit to Paris in April 1914, spoke very plainly on the subject to M. Doumergne in
the course of a conversation at the Quai d’Orsay. But, so far as is known at the India
Office, no progress has been made towards an agreement.

Prospects of a Settlement.

7. It is now understood that an opportunity may arise of dealing with the question
of the French settlements as part of a wider arrangement with the French Government.
From the Indian point of view, the most satisfactory solution would undoubtedly be
the complete extinction of French territorial rights of every description throughout
India. Inter alia, this would get rid of the difficulties which have arisen in regard to
cable and wireless rights in French India—a matter to which the Indian military
authorities attach considerable importance from the point of view of censorship
requirements in war time. Such a solution—invoking as it would the final
disappearance of the French Empire in India—would doubtless be distasteful to
French national sentiment. But it might possibly be accepted as part of a general
settlement at the conclusion of a victorious war, particularly if France, largely owing
to British assistance, had made important acquisitions of territory nearer home. At
all events, we might aim at this in the first instance. If the French decline to entertain
the proposal our main energies must be directed towards securing the cession of
Chandernagore. This is a matter of really vital importance, in comparison with which
nothing else counts for very much. But it is also very desirable that French rights in
the Loges should be extinguished, both on account of the practical inconveniences
mentioned above, and because the continued existence of these small enclaves is an
anomaly which contains a certain element of danger—however slight it may be—to the
good relations between ourselves and our allies. It ought to be possible to secure these
two desiderata without territorial compensation in India, which is undesirable both in
principle and in practice. But if this proves impossible, an arrangement might be
concluded on the lines recommended by the Government of India in 1910 (see
paragraph 5), viz.: cession to France of territory round Pondicherry in return for the
surrender of all the other settlements and of all French rights in the Loges. In
negotiating regarding the Loges it will be desirable to avoid the use of language which
may be construed hereafter—in the event of the negotiations failing—as an admission
of French jurisdictional rights (e.g., at Patna, Cazimbazar, Jugdea, and Dacca), the
existence of which we have always denied.

Political Department, India Office,
April 20, 1915.

APPENDIX (F).

EXTRACT FROM MEMORANDUM BY THE COLONIAL OFFICE.

The Islands of St. Pierre and Miquelon.

THOSE islands were ceded to France for fishing purposes by the Treaty of Versailles
in 1783, and His Majesty’s Government regard themselves as entitled to the reversion,
as the French Government are aware. The islands were formerly very valuable to
France on account of the fishing, but latterly owners who used to fit out their fleet
at St. Pierre, and make it their headquarters, find it more profitable to fit out their
vessels in France, and send them direct from France to the Banks, and the fishery and
P.O. to C.O.,
Oct. 3, 1907,
35463/07,
and corre-
respondence
in
American
208.

* Besides its connection with sedition, Chandernagore is the home of a considerable contraband trade.
trade of St. Pierre have steadily declined. The islands, therefore, have for France mainly an exchange value, and it was no doubt because of this that the French Government carried on with us for some time before the war a very leisurely correspondence with regard to their rights under the Convention of 1904, contending that we had not power to enforce the fishery regulations for a close time, &c., on the Newfoundland coast, and disputing our jurisdiction in the Bays. Both were paper points, as French fishing vessels had ceased to frequented the coast.

On the other hand, Canada, which in 1907 asked us to obtain the cession of the islands from France, and Newfoundland to which they ought, geographically and historically speaking, to belong, and to either of which a cession to the United States, if it were ever attempted, would be extremely objectionable, have every reason to desire to see the islands British, and an effort ought now to be made to meet their wishes and to obtain possession of them, and a surrender of the French fishery rights on the Newfoundland shore.

The present moment is (apart from the advantages offered by a general settlement), specially favourable in that the United States are less likely to object than at any other time.

Newfoundland should, if this policy is accepted, be asked whether she would concede in return further facilities for bait for the French bankers.

In this connection it may be observed that the French, in obtaining provisional possession of almost the whole of the Cameroons, laid special stress on the pressure to which the Government was subjected from the Colonial party. It would only be fair to point out to France that, in the matter of the Pacific and of St. Pierre and Miquelon, His Majesty's Government are subject to the pressure of the public opinion of powerful communities whose wishes they are at all times bound to consider, and that in view of the action of the Dominions in unstintingly devoting their resources of men and money to the common cause, it is doubly difficult for His Majesty's Government to resist their pressure in those spheres which the Dominions not unnaturally regard as peculiarly their own.

(Initialled) H. J. R.

H. L.

* * *

APPENDIX (G).

-EXTRACT FROM COLONIAL OFFICE MEMORANDUM, 1908.-

The Gambia.

The Gambia claims to be one of the oldest British Colonies, the first settlement having been established there in the reign of James I, and there is consequently a sentimental objection to parting with it to another Power. As a Colony it is particularly flourishing, and its trade, imports and exports combined, which in 1906 amounted to 876,000£. (including bullion and specie), is increasing. This commerce is principally carried in British ships, but practically all the exports go to countries outside the United Kingdom, which provides less than half the imports, while only one of the principal firms in the Colony is British, the remainder being almost entirely French. Moreover, the French are in a position to diminish seriously the value of the Gambia by insisting on the fulfilment of Article 5 of the Agreement of the 8th April, 1904, whereby they are given Yarbutenda at the head of the Protectorate, and, should the river there not be open to maritime navigation, access to a point lower down the river, which can be reached by merchant-ships engaged in maritime navigation. Also, in the event of not obtaining the Gambia, the French will probably carry out their project to build a railway parallel to the river, which will considerably damage British trade. As a set-off to these considerations, there remains the fact that the situation of the Gambia is such that it is impossible for the French to prevent smuggling from that Colony into their own possessions, and consequently, so long as it remains British, there is a considerable check on the levying by France of
differential duties in the adjacent territories. In this respect the position is not
unlike that at Muscat, where the French rights under the joint protectorate prevent
the adoption by His Majesty's Government of any effectual measures for restraining
the traffic in arms.

The strategic value of Bathurst, the capital, as a coaling-station and port of
refuge in time of war, is discounted for us by the possession of Sierra Leone. When
the question of coaling-stations was examined the relative merits of the two harbours
were considered, and the conclusion was arrived at that for British purposes the latter
was far preferable, and, moreover, it may be said that the Power that holds the sea
holds the Gambia.

APPENDIX (II).
ITALIAN CLAIMS IN NORTH-EAST AFRICA.

Article 13 of Agreement of April 26, 1915.

DANS le cas où la France et la Grande-Bretagne augmenteraient leurs domaines
coloniaux d'Afrique aux dépens de l'Allemagne, ces deux Puissances reconnaissent en
principe que l'Italie pourrait réclamer quelques compensations équitables, notamment
dans le règlement en sa faveur des questions concernant les frontières des colonies
italiennes de l'Erythrée, de la Somalie et de la Lybie et des colonies voisines de la
France et de la Grande-Bretagne.

APPENDIX (I).
MEMORANDUM BY WAR OFFICE.

Jaghbub and Sollum.

1. FROM a strategical point of view it is of great importance that Jaghbub should
remain within the Egyptian border, as all roads from the west and north-west converge
there and then proceed to Siwa, whence they radiate to all the oases of Lower Egypt
and to the Mediterranean. Jaghbub may therefore be called the western gateway of
Lower Egypt, and as it is protected on the west by a wide belt of waterless desert
it forms a strategic point on which the defence of the Western Desert of Egypt may be
said to pivot.

For military reasons, therefore, the inclusion of Jaghbub in Egyptian territory is
essential to the proper and economical defence of the latter.

2. Sollum is the natural port of Jaghbub, and consequently, if the latter is retained,
the former should also form part of Egyptian territory. As, however, the present
frontier line makes it quite indefensible, and, as Porto Bardia is its necessary appendage,
it is requisite that the frontier should be extended so as to start from a point 5 miles
west-north-west of Bas-el-Melh, whence it should run to the intersection of the 24th
meridian of east longitude with the 30th parallel of north latitude.

If Sollum were in the hands of a foreign Power Jaghbub would be dependent on
Marsa Matruh as its seaport, a place 90 miles more distant from it than Sollum. This
is a disadvantage both commercially and strategically. In fact, an enemy force based
on Sollum would in a position to threaten the principal outpost of the Western
Desert of Egypt before the arrival of assistance from Marsa Matruh.

War Office, March 28, 1917.
APPENDIX (J).

THE ANGLO-RUSSIAN AGREEMENT AS TO CONSTANTINOPLE AND THE DARDANELLES.

Sir G. Buchanan to Sir Edward Grey.—(Received March 27.)

(No. 44. Secret.)

Sir,

Petrograd, March 13, 1915.

IN accordance with your instructions, and after consultation with my French colleague, I informed the Minister for Foreign Affairs yesterday morning that, subject to the war being prosecuted to a successful conclusion and to the desiderata of Great Britain and France in the Ottoman Empire and elsewhere being realised, His Majesty's Government would agree to the Russian aide-memoire on the subject of Constantinople and the Straits, which his Excellency had handed to me on the 4th March, and of which I have the honour to transmit a copy herewith.

I at the same time gave his Excellency an aide-memoire to the above effect, embodying your telegram No. 329 of the 10th March, though, in order not to compromise the cypher, I had been obliged to alter the sequence of the words.

I then read to him and left with him a memorandum, in which I have recorded the observations which you had, in your telegram No. 43, Private and Secret, of the 11th instant, instructed me to make on the subject of our assent to the Russian demands.

Copies of both these documents are enclosed.

After expressing in warm terms his satisfaction at receiving this communication, his Excellency said that he had no objections to raise to any of the desiderata of His Majesty's Government, with the sole exception of the conversion into an English sphere of the present neutral sphere in Persia. The question of railways made it very difficult for Russia to renounce all her existing rights in that sphere, and, if she did, she would have to ask us to allow her in return to be absolute mistress in her own sphere.

After some further conversation on the subject, I told his Excellency that I had been instructed to make personally to the Emperor the same communication which I had just made to him, and enquired when I could have the honour of an audience. M. Sazonof replied that this would not be "at all easy to arrange, as His Majesty was leaving the next morning for the front, and would probably be engaged with audiences all the afternoon, as he himself was to have one late in the evening. I then suggested that, as the Emperor would probably wish to consult him before replying to the communication which I had been instructed to make, His Majesty might perhaps consent to receive us both together. This his Excellency kindly arranged, and I accordingly accompanied him to Tsarskoe.

I have, in my telegram No. 54, Private and Secret, of yesterday's date, reported that the Emperor, in the course of our audience, authorised me to inform you that he consented in principle to the neutral sphere being incorporated in the British sphere, but that M. Sazonof will probably insist on our giving in return some assurances as to Russia's liberty of action in her own sphere.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure 1.

Aide-memoire communicated by M. Sazonof, March 4, 1915.

LE cours des derniers événements amène Sa Majesté l'Empereur Nicolas à penser que la question de Constantinople et des Détroits doit être résolue définitivement, selon les aspirations séculaires de la Russie.

Toute solution serait insuffisante et précaire si la ville de Constantinople, la rive occidentale du Bosphore, de la mer de Marmara et des Dardanelles, ainsi que la Thrace méridionale jusqu'à la ligne Énos-Midia, n'étaient désormais incorporées à l'Empire russe.

De même, et par nécessité stratégique, la partie du littoral asiatique comprise entre le Bosphore, la rivière Sakaria et un point à fixer sur le golfe d'Ismid, les îles
de la mer de Marmara, les îles d'Imbros et de Ténédos devront être incorporées à l'Empire.

Les intérêts spéciaux de la France et de la Grande-Bretagne dans la région ci-dessus désignée seront scrupuleusement respectés.

Le Gouvernement Impérial se plait à espérer que les considérations ci-dessus seront accueillies avec sympathie par les deux Gouvernements alliés. Lesdits Gouvernements alliés sont assurés de rencontrer auprès du Gouvernement Impérial la même sympathie pour la réalisation des desseins qu'ils peuvent former en d'autres régions de l'Empire ottoman comme ailleurs.

Pétograde, le 19 février (4 mars), 1915.

Enclosure 2.

Aide-mémoire communicated to M. Sazonof, March 12, 1915.

SUBJECT to the war being carried on and brought to a successful conclusion, and to the desiderata of Great Britain and France in the Ottoman Empire and elsewhere being realised, as indicated in the Russian communication herein referred to, His Majesty's Government will agree to the Russian Government's aide-mémoire relative to Constantinople and the Straits, the text of which was communicated to His Britannic Majesty's Ambassador by his Excellency M. Sazonof on the 4th March, 1915.

Pétograd, February 27 (March 12), 1915.

Enclosure 3.

Memorandum.

HIS Majesty's Ambassador has been instructed to make the following observations with reference to the aide-mémoire which this Embassy had the honour of addressing to the Imperial Government on the 12th March, 1915.

The claim made by the Imperial Government in their aide-mémoire of the 4th March, 1915, considerably exceeds the desiderata which were foreshadowed by M. Sazonof as probable a few weeks ago. Before His Majesty's Government have had time to take into consideration what their own desiderata elsewhere would be in the final terms of peace, Russia is asking for a definite promise that her wishes shall be satisfied with regard to what is in fact the richest prize of the entire war. Sir Edward Grey accordingly hopes that M. Sazonof will realise that it is not in the power of His Majesty's Government to give a greater proof of friendship than that which is afforded by the terms of the above-mentioned aide-mémoire. That document involves a complete reversal of the traditional policy of His Majesty's Government, and is in direct opposition to the opinions and sentiments at one time universally held in England and which have still by no means died out. Sir Edward Grey therefore trusts that the Imperial Government will recognise that the recent general assurances given to M. Sazonof have been most loyally and amply fulfilled. In presenting the aide-mémoire now, His Majesty's Government believe and hope that a lasting friendship between Russia and Great Britain will be assured as soon as the proposed settlement is realised.

From the British aide-mémoire it follows that the desiderata of His Majesty's Government, however important they may be to British interests in other parts of the world, will contain no condition which could impair Russia's control over the territories described in the Russian aide-mémoires of the 4th March, 1915.

In view of the fact that Constantinople will always remain a trade entrepôt for South-Eastern Europe and Asia Minor, His Majesty's Government will ask that Russia shall, when she comes into possession of it, arrange for a free port for goods in transit to and from non-Russian territory. His Majesty's Government will also ask that there shall be commercial freedom for merchant-ships passing through the Straits, as M. Sazonof has already promised.

Except in so far as the naval and military operations on which His Majesty's Government are now engaged in the Dardanelles may contribute to the common cause of the Allies, it is now clear that these operations, however successful, cannot be
of any advantage to His Majesty's Government in the final terms of peace. Russia alone will, if the war is successful, gather the direct fruits of these operations. Russia should therefore, in the opinion of His Majesty's Government, not now put difficulties in the way of any Power which may, on reasonable terms, offer to co-operate with the Allies. The only Power likely to participate in the operations in the Straits is Greece. Admiral Carden has asked the Admiralty to send him more destroyers, but they have none to spare. The assistance of a Greek flotilla, if it could have been secured, would thus have been of inestimable value to His Majesty's Government.

To induce the neutral Balkan States to join the Allies was one of the main objects which His Majesty's Government had in view when they undertook the operations in the Dardanelles. His Majesty's Government hope that Russia will spare no pains to calm the apprehensions of Bulgaria and Roumania as to Russia's possession of the Straits and Constantinople being to their disadvantage. His Majesty's Government also hope that Russia will do everything in her power to render the co-operation of these two States an attractive prospect to them.

Sir E. Grey points out that it will obviously be necessary to take into consideration the whole question of the future interests of France and Great Britain in what is now Asiatic Turkey; and, in formulating the desiderata of His Majesty's Government with regard to the Ottoman Empire, he must consult the French as well as the Russian Government. As soon, however, as it becomes known that Russia is to have Constantinople at the conclusion of the war, Sir E. Grey will wish to state that throughout the negotiations, His Majesty's Government have stipulated that the Mussulman Holy Places and Arabia shall under all circumstances remain under independent Mussulman dominion.

Sir E. Grey is as yet unable to make any definite proposal on any point of the British desiderata; but one of the points of the latter will be the revision of the Persian portion of the Anglo-Russian Agreement of 1907 so as to recognise the present neutral sphere as a British sphere.

Until the Allies are in a position to give to the Balkan States, and especially to Bulgaria and Roumania, some satisfactory assurance as to their prospects and general position with regard to the territories contiguous to their frontiers to the possession of which they are known to aspire; and until a more advanced stage of the agreement as to the French and British desiderata in the final peace terms is reached, Sir E. Grey points out that it is most desirable that the understanding now arrived at between the Russian, French, and British Governments should remain secret.

Petropavlovsk, February 27 (March 12), 1915.

APPENDIX (K).

NOTE ON BELGIAN CO-OPERATION IN EAST AFRICA.

I.—Brief Summary of Belgian Operations.

SOON after the outbreak of war the Belgian Government urged upon His Majesty's Government the need of offensive operations against German East Africa from British East Africa, in order to safeguard the Congo against German attack, and they suggested co-operation between the British and Belgian forces. At that time extensive British operations against German East Africa were not considered practicable. The Belgian Government were informed that His Majesty's Government could not at the time commit themselves to operations on a large scale, and the suggested Belgian co-operation was declined. So far as the north-west frontier of German East Africa is concerned, matters remained in this position until the end of 1915.

In the meantime, the position on the south-west frontier of German East Africa (Abercorn district) became somewhat insecure, in view of a threatened attack by the German, the local authorities early in 1915, asked for military assistance from the Governor-General of the Congo. In consequence of this request one Belgian battalion was sent to Abercorn, another to the south end of Lake Tanganyika, while two more were held in readiness on the west side of the Lake. In July part of the Belgian troops helped in repelling a German attack against our post at Saisa. About October the two Belgian battalions in Rhodesian territory were withdrawn in order to take part in the offensive campaign which was then in contemplation.
In this case again it was the Belgian Government which pressed for military co-operation, and it was decided that such co-operation should be arranged by the local authorities. It was accordingly arranged that, while the British forces attacked the German concentration in the Kilimanjaro area, the Belgians should invade Ruanda from Lake Kivu. This scheme was carried out. The Belgians advanced in two columns; the first from the north of Lake Kivu, and the second from the south of Lake Kivu to Usumbura and Ujiji. Both columns met at Tabora in September 1916.

It must be borne in mind that this advance on the part of the Belgians on Tabora would have been impossible but for the assistance afforded to them by the British, as is obvious from the following considerations:

1. Nearly the whole mass of the German forces was drawn off to meet the British attack in the Kilimanjaro and Wilhelmstal districts, and the Belgian advance met with very little opposition.
2. The Belgians were given great assistance as regards transport of munitions of war to the Congo via the Uganda railway. A munition base was also established for them at Mombasa.
3. More immediate assistance to their move was afforded by the supply of large numbers of carriers, without which their advance could not have been effected. Uganda recruited many thousands of carriers for this purpose alone.
4. The British Naval Expedition on Lake Tanganyika had gained command of the Lake for the Belgians and, if this had not been done, they could hardly have advanced in face of the possibility of a German raid across the Lake. British seaplanes, guns, &c. were also given to them for the Lake.

II.—Belgian Claims and Aspirations.

When, upon the occupation of Tabora by the Belgians, the Belgian Government were asked to give General Smuts further military co-operation in completing the conquest of German East Africa, they took the opportunity of defining their view of their position in those districts of German East Africa which had been occupied by Belgian troops. That view was as follows:

They stated that they were in occupation of the provinces to the north-west of the German colony, viz., Ruanda, Urundi, part of Bukoba, Ujiji, part of Tabora, and of Bismarckburg. These provinces comprise the richest and most populous districts of the colony, a port on Lake Victoria, the larger part of the eastern shore of Lake Tanganyika, including the old terminus of the Central Railway, and a considerable section of the railway itself. They assumed the right to regard these acquisitions as definitely at their disposal, for the purpose of negotiations, and they valued them roughly at:

1. Two tracts of Portuguese territory, viz., the Kabinda enclave and the Portuguese province on the left bank of the Lower Congo. These tracts were required to secure full control of the mouth of the Congo, and to extend the Atlantic coastline of the Belgian colony.
2. An indemnity to cover their military expenditure and the losses resulting to the Belgian Congo in the East African campaign.
3. Substantial indemnity for the release of territory and railway, the latter alone being worth, in their opinion, at least 170,000,000 francs.
4. Certain minor advantages such as concessions in respect of railway rights on the Central Railway, rectification of the frontier of the Belgian Congo in the neighbourhood of Lake Kivu, and such modifications as they might desire for the General Act of the Berlin Conference.

This price, or its equivalent, they proposed to exact from Germany at the end of the war. Alternatively, they would continue to hold the districts occupied, or would require the same price from any other Power interested in securing the surrender of the territory. They put forward, as the price of their further military co-operation with General Smuts, the recognition of their rights over the occupied districts, in the sense described above, and of the existence of the principle that Belgium should reap advantages to be defined hereafter for her further participation in the campaign in proportion to the measure of her further efforts.

In reply to these memoranda, His Majesty's Government stated that they would dispense with further Belgian co-operation, and they pointed out that the proposal of
the Belgian Government to regard the portion of German East Africa occupied by them as definitively theirs (which was implied in the intention expressed by them to make separate arrangements with Germany in regard to terms, if necessary) was contrary to the agreement between the Allies by which all conquered territory was to be held provisionally only until the end of the war. His Majesty's Government could not agree in advance with the recognition of this right, and they regarded it as premature to enter into any discussion as to the future. They could not regard with indifference any settlement in East Africa which might prejudicially affect the safety of their interests in that quarter of the world.

The net result of this correspondence with the Belgian Government was—

1. That His Majesty's Government reserved to themselves complete freedom of action as regards the settlement to be made after the war.
2. That the proposal for further Belgian military co-operation was definitely dropped.*
3. That the Belgian Government agreed to hand over the whole of the Tabora district to British Administration during the provisional period of occupation. This transfer was carried out on the 25th February, 1917.

APPENDIX (L).

EXTRACT FROM MEMORANDUM BY THE INDIA OFFICE.

The Portuguese Possessions in India.

It is for consideration whether, if opportunity offers, an attempt should not be made to get rid of the Portuguese settlements also by offering compensation in Africa. These consist of the territories of Goa (1,301 square miles; population in 1900, 475,513), Daman (149 square miles; population, 41,671), and Diu (20 square miles; population, 14,614). They were acquired in the sixteenth century, and undoubtedly have a great sentimental value to Portugal, out of whose possession they have never passed. Their economic value is less. The estimated revenue of Goa in 1913-14 was a little over £300,000, and there was an estimated surplus of £60,000. Imports and exports amounted respectively to £560,855 and £178,340, the overwhelming proportion of the trade being with British India (imports from Portugal, £42,178; exports to Portugal, £268). The number of ships visiting Marmugao during 1914 was 64, of which 29 were British (78,530 tons) and 27 German (79,385 tons).

The insecurity which is apt to prevail has occasionally been a source of inconvenience to neighbouring British territory (e.g., in 1912); from time to time there are small frontier difficulties, while excise questions give constant trouble. Questions, too, have arisen between the two Governments regarding telegraphs. Thus, in 1912 the Portuguese Government were negotiating with the German Telefunken Company for the establishment of wireless stations, to which the Government of India expressed themselves as "unable to agree under any circumstances whatever" (telegram of the 20th September, 1912); and it was only after long, protracted negotiations (and, even so, with a condition attached which would make British censorship in war time impossible) that the Portuguese Government last month were induced to agree that they would not grant cable landing rights nor authorise the establishment of any wireless telegraph stations without having arrived at a previous understanding with the British Government (Mr. Carnegie, No. 199, of the 24th August, 1916).

The Portuguese settlements have not hitherto given serious trouble as asylums for anarchists, though recently there have been cases in which correspondence between such persons seems to have been transmitted through residents in Portuguese territory. If, however, we are successful in eliminating the French settlements, it must be expected that anarchists will find their last refuge in Portuguese soil, while Germany may attempt to find in it a point for political penetration. With Portuguese territorial jurisdiction would presumably disappear also their preposterous ecclesiastical jurisdiction, which would in itself be no small advantage to us. Formerly the Crown of

* The Belgian Government was recently requested to hold in readiness a small force for the local defence of the Rhodesian frontier against raids by fugitive German columns, but was subsequently informed that this co-operation was not, after all, required.
Portugal claimed to exercise patronage and jurisdiction over Roman Catholics throughout British India; and though by a concordat with the Vatican in 1886 these were limited to the metropolitan archbishopric and seven suffragan sees, the anomaly still remains that six Roman Catholic Bishops in British India and native States are nominated by a foreign Government, and British Indian Roman Catholics are constantly memorialising, and asking that they may be removed from foreign jurisdiction (the last memorial is as recent as the 18th May last: Sir H. Howard, No 44 of the 26th June, 1916). This is the more anomalous in that the Republic of Portugal is violently anti-clerical.

APPENDIX (M).

FOREIGN OFFICE MEMORANDUM.

The Japanese Claim to Inherit the German Rights in Shantung.

HIS Majesty's Government have to consider in the main two issues arising out of this claim, firstly, the desirability, from a British point of view, of Japan acquiring the position hitherto held by Germany in Shantung, and so becoming dominant in this important province of China, and, secondly, the obligation of His Majesty's Government towards China to prevent the establishment there of Japan as a result of the war.

In order to appreciate these two issues it is convenient to examine (II) the original rights of Germany in Shantung, (III) the administration of the province by the Japanese since the fall of Tsingtao, (IV) Japanese policy in respect of Shantung during the war, (V) the position of His Majesty's Government as regards this question vis-à-vis China, (VI) the position of His Majesty's Government vis-à-vis Japan, (VII) the interests of Great Britain, France, and Russia involved, (VIII) the probable attitude of the United States, (IX) the expediency of demanding a quid pro quo, and (X) the propriety of consulting France and Russia beforehand.

The recommendations (I) arising out of these considerations are set out first for the purpose of convenience.

I.—Recommendations.

1. Japan is already in occupation of the German rights in Shantung, and her officials have been administering for two years the leased territory of Kiaochow and the railway from Tsingtao to Tsingtau. To give her an assurance that we shall support her claims in an eventual settlement is only to recognise the fait accompli. That she would in any circumstances, except before force, evacuate is not thinkable. We have therefore no alternative but to make a virtue of necessity and comply with her request.

2. We should, however, in return for our assurance to Japan that we will support her claims in regard to the disposal both of Germany's rights in Shantung and of her possessions in the Islands North of the Equator, ask from her a corresponding assurance that she will, in the eventual peace settlement, lend us her support in the same spirit in our claims to the German Islands South of the Equator and in our general policy elsewhere.

3. Although her intentions, as far as we know them, are nominally to admit the sovereignty of China throughout Shantung, previous experience leads us to anticipate that she will eventually endeavour to make of it a second Manchuria, which means primarily rejection of the Open Door policy.

4. We should be justified in attempting to avert this by attaching to any assurance we may give certain reservations in order to guard ourselves against the Japanese taking over rights in excess of what the Germans possessed. These reservations should be that—

(a.) Tsingtao shall retain its status as a treaty port, such as Shanghai.

(b.) No preferential rates shall be levied over railways already built or to be built hereafter within Shantung in virtue of rights inherited from the Germans.

5. An advantage in insisting on these conditions would be that we should go far to disarm American opposition.
6. Although we are anxious to confine the Japanese to railway construction within Shantung itself, and in particular to prevent their building a line to connect the Tsingtao-Tsinanfu Railway with the Peking-Hankow Railway, we should be better advised not to raise the point directly, if at all (II).

7. It is inadvisable to ask for a quid pro quo elsewhere, such as might be found in the Yang-tze valley or Yunnan (IX).

8. A declaration might be made that under the changed circumstances His Majesty's Government would no longer consider themselves bound by the assurance given to Germany in 1898 not to construct a railway from Wei-hai Wei into the province of Shantung. But this is probably unnecessary (VII).

9. The two specific reservations recommended are relatively non-contentious. To attach highly controversial conditions to our assurance would be both ungracious and impolitic. We were, indeed, prepared at an inopportune moment to give the assurance primarily, if not solely, in order to obtain quickly naval assistance. But Japan has now spontaneously and unconditionally consented to provide it, though she has intimated that she still expects us to consider favourably, in connection with her concession, her request for an assurance as to her territorial claims. She has at the same time made it clear to us that she is not prepared to help us any further on the sea. Nevertheless, if the transactions no longer retain ostensibly the character of a bargain, Japan's concession merely anticipates the fulfilment by us of our share; and we cannot allow the consideration of giving her the assurance to be prejudiced. Moreover, the Japanese have rendered both to us and to the Russians considerable service in the supply of guns and munitions, and must continue to do so; and finally, Germany's policy of endeavouring to detach Japan from the Alliance has still to be watched and frustrated. Any reply to Japan's request which could be interpreted as unfavourable to her aspirations would react inevitably on her general attitude.

II.—German Position in Shantung before the War.

This was established by a convention between Germany and China on the 6th March, 1898, and completed by arrangements as to customs in 1905, and as to railway and mineral development in 1913.

By the 1898 convention China ceded to Germany on lease territory on both sides of the Bay of Kiaochow, with certain unimportant islands in the bay, and established a neutral 50 kilometre zone in the surrounding district under the sovereignty of China in which both Chinese and German troops had the right to operate. In practice this neutral zone was German; German subjects were allowed to hold and develop mining property in certain specified areas of Shantung. Preferential treatment was given to Germans in all cases where foreign assistance, in persons, capital, or material, was required. Germany was entitled to construct two railways to the boundary of the province.

By the later arrangements mentioned the customs came to be administered in the ordinary way by the Chinese Maritime Customs, though, in fact, the commissioner and most of the employees were all Germans, and the usual 5 per cent, ad valorem duties were levied, and there was no discrimination in favour of Germans, nor were any preferential rates levied along the railways. The Germans waived certain mining rights, acquired under the 1898 convention, and received in return an option on two railways to connect the Tsingtao-Tsinanfu line with the Peking-Hankow and Tien-tsin-Pukow line, and the right to develop important deposits of iron and coal at a specified spot near these railways.

N.B.—It is very undesirable that the Japanese should inherit the option on the railway. Apart from economic considerations, the linking up of the Tsingtao-Tsinanfu railway with the Peking-Hankow line would give them a strategic advantage of the first importance, enabling them to dominate Peking on the north and the Yang-tze valley on the south. But there is no reason to suppose that the Japanese intend to build this extension. When, during the negotiations which led to the treaties with China of May 1915, the latter asked, with reference to the German rights to which Japan would succeed, that the phrase, "in relation to Shantung," be altered to read "in Shantung," the effect of which would have been to exclude the German concessions for the railway extensions in question, the Japanese Government refused. Should it be decided, however, to make the reservations recommended in I 4, reservation (b) could be so worded, or at least the conditions so framed, as to recognise Japanese rights to build railways within Shantung only. The
utmost that we could do would be to show the Japanese by implication that we wish their railways to stop at the boundary of the province.

In general there has been under the German régime a virtual monopoly of industrial concessions, but as regards the retail trade and freights the Open Door has been maintained. In Manchuria there is general preferential treatment for Japanese goods.

There is another partial German asset which ought possibly to be borne in mind in any discussion that may arise, viz., the northern half of the Tien-tsin-Pukow Railway which is German built and German controlled. (The southern half is British built and British controlled.) The German section lies within the province of Shantung with the exception of a short northern section which runs through Chihli to Tien-tsin.

The Japanese may demand the section which runs wholly through the province of Shantung. They may also demand the extreme northern section, and they may even ask His Majesty’s Government to surrender to them the southern British section for the sake of uniformity.

It must, however, be understood that this railway in no sense falls within the category of German rights acquired under the Convention of 1898 and subsequent arrangements, but it is a Chinese Government railway, and therefore on an entirely different basis to that of any other of the Shantung railways.

If may be that the Japanese will not raise the question, and in any case it is important that it should not be mentioned to them.

III.—The Existing Japanese Administration of Shantung.

The Japanese officials replaced Germans in the administration of Tsingtao and the railway after the fall of the Fort. But towards the end of 1915 the Chinese customs were re-established, though the employees of the Chinese customs service were Japanese. No discrimination is made at present in favour of Japanese goods, and the ordinary 5 per cent, ad valorem tariff is levied. But trade was suspended during the military operations and has hardly yet been resumed. There is a Japanese garrison at Tsingtau and at other places on the railway.

IV.—Japanese Policy in Respect of Shantung during the War.

His Majesty’s Ambassador at Tokyo was told by Baron Kato on the 10th August, 1914, that the Japanese were preparing an attack on Tsingtau, that they desired no territorial aggrandisement in that region, but that they would be in a position eventually to restore to China the territory from which the German occupation had excluded her. Nevertheless the note of the Japanese Government embodying this omitted all reference to the return of Tsingtau to the Chinese, and the Japanese Government refused to join His Majesty’s Government in a declaration to the Chinese Government that Tsingtau would be returned.

Still the Japanese ultimatum to Germany of the 16th August required her “to deliver on a date not later than the 15th September to the Imperial Japanese authorities without condition or compensation the entire leased territories of Kiaochow with a view to eventual restoration of the same to China.”

But almost simultaneously Baron Kato told Sir C. Greene that the terms on which Japan would restore Kiaochow to China must depend on whether the place was surrendered without bloodshed or had to be taken after heavy expenditure of life and money.

The Chinese, however, maintained throughout that they had received definite and formal assurances from Japan that Kiaochow would be restored to China, and that Japan associated England with her in the attainment of that object. It was on the strength of these assurances, which, as far as we know, were never given in writing, that the Chinese allowed the violation of their territory for the purpose of the military operations for the capture of Tsingtau.

The real intentions of the Japanese Government appear to have been first indicated on the 18th December, when Baron Kato stated in the Japanese Parliament that the Japanese Government had entered into no agreement with any American or European country or with China as the result of which Japan was compelled to restore Kiaochow to China, and he added later that the whole position had been altered by the fact that Japan had been obliged to capture it by force of arms.

It was not, however, till May 1915 that the Japanese definitely showed their hand. A series of demands were made on China, and those relating to the proposed
future status of Shantung were embodied in treaties and exchanges of notes. Briefly stated they are as follows:—

The Chinese Government agree to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests, and concessions which Germany, by virtue of treaties or otherwise, possesses in relation to the province of Shantung.

The Japanese Government undertake to restore to China after the war the leased territory of Kiaochow Bay on the following conditions:—

(1.) The whole of Kiaochow Bay to be opened as a commercial port.

(2.) A concession, under the exclusive jurisdiction of Japan, to be established at a place designated by the Japanese Government.

(3.) If the foreign Powers desire it, an international concession may be established.

(4.) The Japanese and Chinese Governments shall arrange by mutual agreement the disposal of the German properties and buildings.

The Chinese took note of this declaration and made no protest.

The ultimate effect of this arrangement cannot be gauged now. It may mean little or much. On the face of it China regains sovereignty over Kiaochow, but the establishment of a Japanese concession in the commercial quarter of Tsingtao will tend gradually to close the Open Door. Her immediate object may be only to control Shantung economically, and the province will be of great economic value to her. In addition to developing a market for her home manufactures, she will acquire control over areas where she can obtain at low prices the raw materials of those manufactures. Shantung is essentially a coal and cotton province—commodities which are invaluable to Japanese factories. But the inheritance by Japan of the German railways and the option on extensions may also be used to give her a predominant political and military position in the province and constitute a strategic menace to Peking and the Yang-tse.

Japan's immediate intention seems to be to save China's face. But, though the latter unwisely protested immediately after the fall of Tsingtao and asked for the withdrawal of the Japanese troops, she has by submitting to the treaties and taking note, without protest, of the Japanese declaration, accepted the inevitable. On paper she will be no worse off—in fact, less badly off—by the substitution of the Japanese for the German arrangement, but actually the Japanese penetration is potentially more dangerous to her than the German, and China will never believe that Japan is not going to convert Shantung into a second Manchuria.

V.—The Position of His Majesty's Government vis-à-vis China.

When rumours of an impending attack on Tsingtao reached Peking on the 12th August, 1914, and the President thereupon expressed anxiety with regard to Chinese interests, His Majesty's Minister at Peking stated under instructions (founded on Baron Kato's original statement to Sir C. Greene (IV)), that the Chinese need have no apprehension as to the results of any joint action by the British and Japanese Governments. On the 12th August Sir J. Jordan telegraphed his opinion that a clear declaration should be made to the effect that Tsingtao would eventually be restored to China. Sir John was instructed, in reply, to try and induce his Japanese colleague to join him in making a declaration to this effect, but his efforts in this direction were unsuccessful, as were those made subsequently.

It may be argued from this that His Majesty's Government are under a certain moral obligation towards China to see that Kiaochow is restored to her, but, in view of the fact related (IV) that China made no protest against the arrangement afterwards forced on her by Japan, His Majesty's Government may perhaps be taken to be released from such obligation. It may be taken for granted that in agreeing over the head of China to Japan's succession to Germany's rights in Shantung Great Britain will prejudice her traditional relations with China, forfeit to a considerable degree the confidence of the Chinese in her protection, and lose prestige by a demonstration of helplessness.

There is, however, no choice in the matter, and we can only hope that, when the war is over we shall sufficiently regain our strength in the Far East to be able to check Japanese ambitions elsewhere in China, and so get back what we have temporarily lost of Chinese confidence.
VI.—The Position of His Majesty's Government vis-à-vis Japan.

The Japanese Government claim that on the 9th August, 1914, Sir E. Grey, speaking to the Japanese Ambassador said that in the event of Japan's declaring war against Germany and capturing Kiaochow, Great Britain had no objection to Japan's continuing in possession of that territory after the war, and that he desired the Imperial Government to have no misgiving on that point.

There is no record of this conversation and Sir E. Grey would appear to have been misinterpreted, since such a declaration of policy as he is reported to have made would be inconsistent with the instructions sent almost simultaneously to Sir J. Jordan (V).

It is, however, true that on the 9th March, 1915, Sir E. Grey informed the Counsellor of the Japanese Embassy, in connection with the Japanese demands on China, that he recognised that there must be an expansion of Japanese interests and influence in China, on the same lines as there has been of other Powers and that Japan naturally expected to see them increased.

In January 1915 certain overtures were made by Germany to Japan, by which the German concessions at Tien-tsin and Hankow were offered to Japan. On the 31st January Sir E. Grey informed the Japanese Ambassador that we ourselves did not intend to put forward claims to any of the German concessions in China, and that therefore, if the future of those concessions came to be discussed with the Chinese Government, the discussion could not be a source of difficulty between Japan and ourselves. Later, on the 4th February, Sir E. Grey explained that he meant that His Majesty's Government would raise no objection to these concessions being the subject of negotiation between Japan and China. But the German “concessions” in question were the German settlements in China generally, and, though the Japanese pretend that the effect of Sir E. Grey's statement was in some way to refer to Shantung, the incident was really irrelevant to that question.

VII.—The Interests of Great Britain, Russia, and France involved.

There is no British political interest in Shantung.

On the 10th April, 1898, when His Majesty's Government obtained the refusal of Wei-hai Wei on the departure of the Japanese, they gave an assurance to the German Government that England had no intention of contesting the rights and interests of Germany in Shantung, and that she would not construct a railway from Wei-hai Wei into the interior of Shantung. It was explained to Germany at the same time that this question must, however, be kept distinct from that of the German claims with regard to railway construction in the province.

British commercial interests in Shantung are not large. There is a small amount of retail trade (soap, cigarettes, soda ash) which is centred in Tsinanfu and the purchase for export of pongee, strawbraid, oil seeds, &c. The export trade is chiefly at Chefu and Tsinanfu.

The British American Tobacco Company, the Asiatic Petroleum Company, Lever, Brunner, Mond, &c, are represented at Tsinanfu.

Russian and French interests are comparatively insignificant, both politically and commercially.

The Russian Government has declared : “qu'il n'a nullement en vue d'empêcher sur les droits japonais en Chine ou léser les intérêts du Japon en créant des obstacles à leur développement ultérieur.”

Moreover, it is unlikely, in view of the treaty signed between Japan and Russia on the 3rd July, 1916, that the latter will in any way try to obstruct Japanese expansion in China.

VIII.—The Attitude of America.

The following identical note was sent by the United States in May 1915 to China and Japan:

"In view of the circumstances of the negotiations which have taken place and which are now pending between the Government of China and the Government of Japan, and of the agreements which have been reached as a result
thereof, the Government of the United States has the honour to notify the
Government of the Chinese Republic that it cannot recognise any agreements or
undertakings which have been entered into, or which may be entered into,
between the Government of China and Japan, impairing the treaty rights of the
United States and its citizens in China, the political or territorial integrity of
the Republic of China, or the international policy relative to China, commonly
known as the Open Door policy. An identical note has been transmitted to
the Japanese Government."

On the 16th March, 1916, the American Ambassador in London told Sir E. Grey
that His Government had been receiving information that the design of Japan was
to secure a predominant position in China, and reserve to herself at any rate the
exploitation of certain provinces. Mr. Page said that the attitude of the United
States Government now, as hitherto, would be opposed to such exploitation.

Mr. Lansing had a conversation on the 16th January this year with Sir C. Spring-
Rice, in which he said that he was anxious about the attitude assumed by Japan,
who seemed to be asserting rights in China and in particular in Shantung which
could not be admitted by the United States.

He subsequently stated that the United States Government could not acquiesce in
any form of financial control in China, except, perhaps, in Manchuria.

For many months the American press has been very apprehensive as to Japan’s
inheriting the German rights in Shantung, and acquiring the German Islands north
of the Equator, and there will evidently be considerable excitement when it is known
that we have formally agreed to support Japan in her claims.

If it is decided to attach the suggested reservations to our assurance, it is for
consideration whether we should inform the United States Government confidentially,
as the United States is an interested party.

We have heard privately that Mr. Wilson intends, at the end of the war, to
call a Conference of the Powers interested in China, and to endeavour to come to
an agreement for the maintenance of Chinese integrity, and the policy of the Open
Door. But we have no official confirmation of this.

IX.—The Expediency of obtaining a Quid Pro Quo Elsewhere.

Japan has certain definite assets, and very considerable trade in the Yang-tsze
Valley. There are the important iron and coal mines, known as the Han-Yeh-Ping;
there is a Japanese option on a railway to connect the Japanese line in Fukien with
Hankow; and there are certain Japanese claims on the mines in Kiangsi. Moreover,
Japanese shipping companies have wharves at all the ports. It is certain that Japan
would never consent to surrender any of these assets, and we should only irritate her
by suggesting it. We might conceivably hint that we should view with approval the
withdrawal from Hankow of the unnecessary Japanese garrison that has been there
for many years, but even this would undoubtedly give offence.

As regards Yunnan, where Japanese activities are viewed with alarm by the
Indian Government, and are undoubtedly disquieting, a request for their cessation
would probably be met by their disavowal, or a statement that the Japanese Govern-
ment had no official cognisance of them. The utmost that we could ask would be a
declaration that Japan disinterested herself in the provinces adjoining India and Tibet.
But this might lead to her interesting herself elsewhere, and in any case raise issues
leading to a protracted controversy. It may also be taken into account that Japan’s
resources are limited, and though the domination of Shantung by Japan is to be
deplored politically, and its eventual conversion into a second Manchuria to be feared
economically, her energy will thereby be diverted from those parts of China which are
of greater importance to us, and we shall be given breathing space, if only that, for
the unimpeded development of our own interests in the Yang-tsze Valley, Quangtung,
and Yunnan.

X.—The Propriety of Consulting Russia and France.

The Japanese Government propose to obtain an assurance from us that we will
support their claim and then themselves to approach the French and Russian Govern-
ments with a similar request.
The agreed procedure being for all the Allied Governments to consult in common before deciding on prospective peace terms, the French and Russian Governments would presumably be entitled to object to the procedure now proposed by the Japanese Government. But it has been generally recognised that the Anglo-Japanese Alliance permits a certain exceptional handling of international matters in the Far East, and the practice of Great Britain and Japan engaging in preliminary negotiations or conversations about matters involving their Far Eastern interests has hitherto gone unchallenged.

If it is decided to give the required assurance to the Japanese Government, it would no doubt be given "subject to an agreement being arrived at between the Japanese Government and the other Allied Governments."

_J. D. G._

*Foreign Office, February 2, 1917.*

Projected Japanese Railway to connect their sphere in Fukien with the Yangtze Valley. H.M.G. have agreed not to oppose the construction of this line.

Hankow has a Japanese Garrison and contains the Hanyang Ironworks.

Tuyeh Iron Mines and Pingsiang Collieries, forming with the above, the HANYEHPING/Co. over which Japan exercises strict control.

Railways in Shantung to which Japan falls heir.

Recent subterranean activities of Japanese Agents in Yunnan and Kwangtung.
COMMITTEE OF IMPERIAL DEFENCE.

Sub-Committee on Territorial Changes.

Fourth Report.

2, Whitehall Gardens, S.W.,

July 17, 1917.
TERMS OF REFERENCE.

THE Prime Minister desires that an Inter-Departmental Committee, constituted as a Sub-Committee of the Committee of Imperial Defence and composed as follows:—

The Right Hon. Sir Louis Mallet, G.C.M.G., C.B. (Chairman),
Sir W. G. Tyrrell, K.C.M.G., C.B., Foreign Office,
Mr. G. R. Clerk, C.B., C.M.G., Foreign Office,
Mr. H. J. Read, C.B., C.M.G., Colonial Office,
Mr. C. Strachey, Colonial Office,
Mr. H. J. Read, C.B., C.M.G., Colonial Office,
Sir T. W. Holderness, K.C.B., K.C.S.I., India Office,
The Right Hon. the Lord Islington, G.C.M.G., D.S.O., India Office,
†Major-General G. M. W. Macdonogh, C.B., War Office,
Major-General F. B. Maurice, C.B., War Office,
Admiral of the Fleet Sir A. K. Wilson, G.C.B., O.M., G.C.V.O., V.C.,
Admiralty,
Mr. W. F. Nicholson, C.B., Admiralty,
Sir H. Llewellyn Smith, K.C.B., Board of Trade,
Mr. H. Fountain, C.M.G., Board of Trade,
Mr. P. W. L. Ashley, Board of Trade,

Lieutenant-Colonel Sir M. P. A. Hankey, K.C.B., (Secretary),
An Assistant Secretary from the Committee of Imperial Defence,

should meet to consider:—

The question of territorial changes in Africa and elsewhere outside Europe which may be expected to follow as a result of the war, and which have not, so far, been considered by His Majesty's Government, or which are not being dealt with otherwise, as proposed in the Foreign Office letter, dated the 8th August, 1916, attached herewith.

— 2, Whitehall Gardens, S.W.,
August 27, 1916.

* Became a member of the Sub-Committee on February 15, 1917
† Since created K.C.M.G.
FOURTH REPORT.

THE General Act of the Conference of Berlin, signed on the 26th February, 1885, was an international agreement, the object of which was the development of trade and civilisation in certain regions of Equatorial Africa and the furthering of the moral and material well being of the natives. With this object in view, the Act prescribed that, within a specified zone, termed the Conventional Basin of the Congo, there should be absolute freedom of commerce and navigation for all nations, to the exclusion of any protective or preferential tariffs. It also provided, under certain conditions, and with the consent of the Powers concerned, for the permanent neutrality of the territories within that zone, even in the event of the Powers, whose territories lay within it, being engaged in war (see Appendix (A)).

2. The Act was, in fact, not so much an ordinary treaty as a commercial and humanitarian convention, which those who framed it intended to be a permanent part of international law, which should be unaffected by such transitory phenomena as the possible outbreak of war between the signatories. Participation in its benefits purported not to be confined to the Signatory Powers, but to be conferred upon mankind at large. There was no provision for its denunciation. Article 4, however, stated that, after the lapse of twenty years, the Powers reserved to themselves to determine whether the freedom of import prescribed in article 1 should be retained or not. Article 36 further laid down in more general terms that modifications and improvements in the General Act might be introduced by common consent.

3. The commercial and economic provisions of the Berlin Act were extended and modified by the Brussels Declaration of the 2nd July, 1890 (Appendix (B)). The complete freedom of import, in particular, having been found incompatible with revenue necessities, was abandoned in the Conventional Basin of the Congo for a non-differential customs system with a maximum rate of 10 per cent. ad valorem. The necessity of special fiscal treatment in the case of the importation of spirituous liquors and of arms and ammunition was recognised, and the sanction of the Signatory Powers was given for such treatment in the Declaration of the 2nd July, 1890 (spirits) and in the further declaration signed at Brussels on the 15th June, 1910 (arms and ammunition). In the Eastern zone, which included Italian, British, and German East Africa, the rate was fixed by agreement between the three Powers concerned at 5 per cent. ad valorem with a rate of 10 per cent. for arms and ammunition (Appendix (C)). This agreement expired in 1903.

4. The international character of the zone covered by the Berlin Act was still further modified in the course of the next twenty years. The system of concessions introduced into the Congo Free State by King Leopold of Belgium was entirely contrary to the spirit of the Act, not only in its disregard for the rights of the natives, but in its practical abrogation over an immense area of the system of free and equal trade for the sake of which the Free State was founded. The attempts made to induce the Signatory Powers to intervene in order to rectify this state of affairs only led to the realisation of the unsatisfactory character of an international State, and to the conclusion that the best prospect of good government lay in the transfer of the Congo Free State to the direct sovereignty of Belgium. This transfer was carried out in 1908.

5. Elsewhere, too, in the zone the occupying Powers, though refraining from the direct imposition of differential import duties, tended to assimilate their régime more and more to that of their other colonies. Germany, for instance, by a combination of through rates on her railways and subsidised steamers with special financial facilities
effectively retained the trade of German East Africa in her own hands, and at one time imposed a prohibitive export duty on sisal bulbilles in order to prevent a competing sisal industry from being started in British East Africa.

6. How far, indeed, the ideal which the framers of the Berlin Act intended to establish had ceased to be compatible with the actual facts of the situation in 1914 became evident on the outbreak of hostilities. The wireless stations established in the German colonies were an essential part of their whole world-wide scheme for raiding our commerce and protecting their own, and the destruction of these stations was consequently at once laid down as one of the most immediately urgent objectives of naval and military operations overseas. The wireless station at Dar-es-Salaam was, in fact, destroyed by a British naval force on 8th August, 1914. It was at the same time reported from Zanzibar that the Germans in German East Africa contemplated immediate active operations, and had moved Government headquarters inland. On the 13th August, 1914, it was announced that a German expedition was invading British Nyasaland.

7. In a note of the 9th August, 1914, indeed, the Belgian Minister in London stated that the Governor-General of the Congo had been instructed not to take offensive action against the German colonies, and asked whether His Majesty's Government, with a view to limiting the area of hostilities, would take advantage of article 11 of the Berlin Act to declare the neutrality of those British colonies in the Conventional Basin of the Congo. In view of the operations which had already taken place, His Majesty's Government did not consider that they could support this proposal.

8. The French Government had meanwhile received a similar request, and were at first inclined to agree with it. They were willing to neutralise their possessions in the Conventional Basin on condition that Germany would do likewise, and asked the Spanish Government to approach the Germans in that sense. They also expressed the hope that His Majesty's Government would take a similar course. A few days later, however, the French Ambassador communicated a telegram from Paris, dated the 12th August, stating that, in view of the menacing attitude of the Germans, who were evidently contemplating an attack on the French Congo, it was not possible to propose the neutralisation of their territory in the Congo.

9. It was not until the 24th September that the United States Embassy transmitted to His Majesty's Government, without comment, the information that the German Government had on the 22nd August told the United States Ambassador in Berlin that they were willing to agree to neutralisation of the free-trade zone as contemplated in chapter III, article 11, of the Berlin Act.

10. On the 14th October, 1914, the French and Belgian Governments were invited to agree to a reply to the United States Government that "such a proposal would not now be practicable in view of the hostilities that have already taken place on both sides, which include attacks made by German forces on British East Africa, British Central Africa, and Albertville." Both Governments agreed, and the note to the United States Ambassador was despatched on the 20th November, 1914.

11. It is clear from the above facts that, while the stipulations of the Berlin Act with regard to neutrality were under consideration of the belligerents, the circumstances were such that no serious effort was made by either side to secure their observance, and no serious protest raised against their non-observance. None of the neutral signatories to the Act made any attempt to fulfil the duty imposed on them by article 11 of independently approaching the belligerents with this object in view. In the opinion of the Committee this tacit admission, on the part of neutrals, of the change that had taken place in the situation since 1885, as far as their obligations were concerned, is not without its bearing on any right which they may claim at a later stage that the economic system laid down in the Act should be maintained unaltered for their benefit.

12. At the Economic Conference of the Allies held at Paris in June 1916, it was agreed, on the proposition of the Belgian delegates, to insert a declaration in the procès-verbal, stating that the articles of the Berlin Act, relative to commerce and navigation, were no longer of effect (ont pris fin) as far as enemy countries were concerned. This was not a legal opinion, but a statement of the intention of the
Allied Powers, at that time in occupation of most of the area concerned, to refuse to grant the economic privileges of the Act to the Central Powers after the war. As, however, this declaration has not been published, the non-belligerent signatories of the Act have not yet had an opportunity of defining their attitude in regard to this further alteration in the international character and permanence of the Act.

13. The present status of multilateral treaties among signatories, some of whom have been the belligerents in the present war, has been submitted to the Law Officers of the Crown, who have expressed the opinion that it is substantially, though not completely, accurate to say that every multilateral treaty is in effect a set of bilateral arrangements fashioned into one whole for general convenience, and that it can therefore be annulled as between belligerents provided this can be done without impairing the rights and obligations subsisting between other parties. They point out, for example, that the international instrument which guaranteed the neutrality of Belgium could hardly have been annulled as between France and Germany after the war of 1870 without a violation of the rights of Great Britain. (Appendix (D) and (E).)

14. If the Berlin Act, with its subsequent modifications, is to be regarded as an ordinary multilateral treaty, then in so far as the Central Powers are not only beneficiaries under it, but also under a general obligation to maintain its provisions, their elimination might, on the above analogy, presumably be objected to by neutrals as an impairment of their rights. It is also conceivable that it might be contended that the complete freedom of trade guaranteed to Holland or Sweden under the Act was diminished if there were any restriction upon the liberty of Dutch or Swedish merchants to sell German goods in the Belgian Congo (Article 3). It would be possible, in fact, on a strictly legal construction, to argue that the Allies are not only bound to observe the economic provisions of the Act in regard to neutrals, unless they can secure their modification by individual negotiations, but are also under an obligation to neutrals to maintain the rights and obligations of the Central Powers as signatories to the Act, until the Act itself is superseded by a general European conference of the same character as those which established it.

15. The Committee desire, however, to suggest that His Majesty's Government have the right and duty to regard the Act, not only from the narrow point of view of its legal construction as an ordinary treaty, but also from that of its original purpose and subsequent history as set forth in the earlier paragraphs of the present report. From this point of view it might reasonably be urged that the whole international system set up in the Act had largely been superseded by developments before the present war, and that the disregard during the war of the provisions relating to neutrality, without serious protest either by belligerents or by neutrals, afforded clear evidence of the fact that they had ceased to be really effective. On that assumption it would be a question not of treaty obligation, but purely of policy on the part of the Allies, in consultation with each other, to consider how far consideration should be given to the equitable claims of neutrals with reference to the trade in Allied territories in Equatorial Africa. It would similarly be for the Allies to settle among themselves what form should be given to the notification to be made to neutrals of the decision, arrived at and of its justification.

16. It would further be a matter for consultation between the Allies, or more particularly those Allies who are directly concerned, as the actual occupants of the Equatorial territories in question, how far they would wish to be bound any longer, even as regards each other, by the economic stipulations of the Act, with or without modification. It is not improbable that France, and possibly Belgium, will be anxious to secure for themselves the liberty to give preference in their possessions not only to Allies and neutrals over Germans and Austrians, but also to their own nationals and products over those of Allies and neutrals. It remains for the British Government to decide, on a consideration of the economic interests of the British Empire as a whole, whether it will endeavour to maintain the provisions of the existing Acts as between Allies and neutrals, or to substitute a modified form of those provisions, or to aim at securing complete freedom from all the restrictions imposed by the Acts on their economic sovereignty in such British possessions, present or prospective, as are situated within the area covered by the Acts.

17. A decision on this question cannot, in the opinion of the Committee, be separated from the wider question of the general economic policy of the British
Empire. If the future economic policy of the British Empire is to be one of internal development and mutual economic preference, not only as regards the self-governing Dominions, but also as regards British possessions and protectorates generally, then it may be in the British interest to secure such liberty of action against Allies and neutrals, as well as against enemy Powers, as will enable the policy adopted to be carried out in the British Possessions in Equatorial Africa. Here again, it will depend on a careful examination of the economic situation, whether it is preferable, in British interests, to aim at such a complete liberty of action on our part as would also involve, on the part of France and Belgium, the possibility of very high discriminatory tariffs against our trade, or to endeavour to secure by negotiation a new economic agreement for a system of low tariffs throughout the region in question, with limited preference to the products of the territorial sovereign power. Such a solution, while not inconsistent with a moderate measure of preference to British trade on British territory, would still secure for British trade access on reasonable terms to the Equatorial possessions of our Allies.

18. The latter policy would naturally involve less dislocation of existing British trade interests both in the French and in the Belgian Congo. It would also afford reasonable consideration to the equitable vested interests of neutrals who might be severely injured by a complete change of the economic system in these regions to one of high tariffs, but would not be seriously or immediately affected by trifling increases, even if they were accompanied by preferential remissions for the trade of nationals. On broad grounds of general policy the Committee consider that it would be undesirable that the great extensions of Allied colonial territory, which may result from the present war, should be accompanied by economic measures which would involve injustice to neutrals. They recommend, therefore, that if the general economic policy of the British Empire in future is to be based on the principle of preferential trade, His Majesty’s Government should aim at the establishment, in consultation with the Allies, of an economic system in the regions hitherto subject to the provisions of the Berlin Act, which, while not inconsistent with that principle, should at the same time afford a large scope to the commerce and enterprise of other nations.

19. In this connection the attention of the Committee has been called to the Anglo-French Agreement of 1898 by which a non-preferential system has been established over a large zone of West Africa outside of the Conventional Basin of the Congo, as defined in the Berlin Act, embracing the French possessions of the Ivory Coast, Dahomey and part of the French Soudan, and the British colonies of the Gold Coast and Nigeria. The effect of the Convention has been undoubtedly beneficial to British trade in the French colonies concerned. Here, again, it will depend on the general economic policy of the British Empire whether the object of His Majesty’s Government should be to allow the agreement to run its course till 1929, when it normally expires, or to secure by negotiation with France a revision which will assimilate the economic system in this area to that which may be agreed upon for the zone covered by the Berlin Act.

20. With regard to the humanitarian objects of the Berlin and Brussels Acts, we are strongly of opinion that the time has come when it should be laid down as a guiding principle for further action that the only Powers reasonably entitled to a voice in arrangements for the welfare of African natives are those which have territories in the African continent.

21. In view of the danger which is now known to have resulted from the unrestricted admission of German missionaries to British overseas possessions, we consider that it is of the first importance that the provisions of article 6 of the Berlin Act and article 2 of the Brussels Act should be so modified as to allow His Majesty’s Government full liberty after the war to deal with missions and missionaries.

22. We also consider that the provisions relating to the navigation of the Niger in Chapter V of the Berlin Act are in many respects obsolete, and that in any future revision of the Act they should be omitted. Such omissions will not affect the facilities for transit on the Niger and its tributary the Benue, which the French will no doubt desire to maintain, as these facilities have been fully provided for by the law of Nigeria, which will, of course, remain in force. It is assumed that it will not be
necessary to renew the agreement with Germany respecting boundaries in Africa of
the 15th November, 1898, but, in the contrary event, it is desirable that article 6 of
that agreement, which re-enacts the provisions of Chapter V of the Berlin Act,
referred to above, should be omitted.

23. A memorandum by the Board of Trade on British trade interest in the
German oversea possessions is printed as Appendix (F). This is the one referred to
in paragraph 15 of the Second Interim Report.

24. The views of the Air Board, furnished in response to paragraph 48 of the
Third Interim Report, on the necessity for securing suitable seaplane and airship bases
and aerodromes, and for safeguarding flying rights in any scheme of territorial
readjustment, are given in Appendix (G).

25. In concluding the fourth and last report, we desire to express our thanks to
Major Storr for the valuable assistance which we have received from him throughout
the enquiry, and our great indebtedness to the ungrudging labours and the unfailing
resource and energy of Captain Amery, M.P., in his capacity of Secretary to the
Committee.

(Signed) LOUIS MALLETT (Chairman).
W. TYRELL.
GEORGE CLERK.
A. HENRY McMAHON.
H. J. READ.
HENRY LAMBERT.
CHARLES STRACHEY.
T. W. HOLBERNESS.
ISLINGTON.
G. M. W. MACDONOGH.
F. MAURICE.
A. K. WILSON.
W. F. NICHOLSON.
H. LLEWELLYN SMITH.
H. FOUNTAIN.
PERCY ASHLEY.

2, Whitehall Gardens, S.W.,
July 17, 1917.
APPENDIX (A).

Extracts from the General Act of the Conference of Berlin, February 26, 1885.

HER Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India; His Majesty the German Emperor, King of Prussia; His Majesty the Emperor of Austria, King of Bohemia, &c, and Apostolic King of Hungary; His Majesty the King of the Belgians; His Majesty the King of Denmark; His Majesty the King of Spain; the President of the United States of America; the President of the French Republic; His Majesty the King of Italy; His Majesty the King of the Netherlands, Grand Duke of Luxembourg, &c.; His Majesty the King of Portugal and the Algarves, &c.; His Majesty the Emperor of All the Russians; His Majesty the King of Sweden and Norway, &c.; and His Majesty the Emperor of the Ottomans, wishing, in a spirit of good and mutual accord, to regulate the conditions most favourable to the development of trade and civilisation in certain regions of Africa, and to assure to all nations the advantages of free navigation on the two chief rivers of Africa flowing into the Atlantic Ocean; being desirous, on the other hand, to obviate the misunderstanding and disputes which might in future arise from new acts of occupation (“prises de possession”) on the coast of Africa; and concerned, at the same time, as to the means of furthering the moral and material well-being of the native populations; have resolved, on the invitation addressed to them by the Imperial Government of Germany, in agreement with the Government of the French Republic, to meet for those purposes in Conference at Berlin, and have appointed as their Plenipotentiaries, to wit. (Here follow names.)

* * * *

Who, being provided with full powers, which have been found in good and due form, have successively discussed and adopted:—

1. A Declaration relative to freedom of trade in the basin of the Congo, its embouchures and circumjacent regions, with other provisions connected therewith.
2. A Declaration relative to the Slave Trade, and the operations by sea or land which furnish slaves to that trade.
3. A Declaration relative to the neutrality of the territories comprised in the Conventional basin of the Congo.
4. An Act of Navigation for the Congo, which, while having regard to local circumstances, extends to this river, its affluents, and the waters in its system (“eaux qui leur sont assimilées”), the general principles enunciated in Articles CXVIII and CXVI of the Final Act of the Congress of Vienna, and intended to regulate, as between the Signatory Powers of that Act, the free navigation of the waterways separating or traversing several States—these said principles having since then been applied by agreement to certain rivers of Europe and America, but especially to the Danube, with the modifications stipulated by the Treaties of Paris (1856), of Berlin (1878), and of London (1871 and 1883).
5. An Act of Navigation for the Niger, which, while likewise having regard to local circumstances, extends to this river and its affluents the same principles as set forth in Articles CXVIII and CXVI of the Final Act of the Congress of Vienna.
6. A Declaration introducing into international relations certain uniform rules with reference to future occupations on the coast of the African Continent.

And deeming it expedient that all these several documents should be combined in one single instrument, they (the Signatory Powers) have collected them into one General Act, composed of the following Articles:

---

CHAPTER I.—Declaration relative to Freedom of Trade in the Basin of the Congo, its Mouths and circumjacent Regions, with other Provisions connected therewith.

ARTICLE 1.

The trade of all nations shall enjoy complete freedom—

1. In all the regions forming the basin of the Congo and its outlets. This basin is bounded by the watersheds (or mountain ridges) of the adjacent basins, namely, in particular, those of the Niari, the Ogowe, the Schari, and the Nile, on the north; by the
eastern watershed line of the affluents of Lake Tanganyika on the east; and by the watershed of the basins of the Zambesi and the Logé on the south. It therefore comprises all the regions watered by the Congo and its affluents, including Lake Tanganyika, with its eastern tributaries.

2. In the maritime zone extending along the Atlantic Ocean from the parallel situated in 2° 30' of south latitude to the mouth of the Logé.

The northern boundary will follow the parallel situated in 2° 30' from the coast to the point where it meets the geographical basin of the Congo, avoiding the basin of the Ogowe, to which the provisions of the present Act do not apply.

The southern boundary will follow the course of the Logé to its source, and thence pass eastwards till it joins the geographical basin of the Congo.

3. In the zone stretching eastwards from the Congo Basin as above defined, to the Indian Ocean from 5 degrees of north latitude to the mouth of the Zambesi in the south, from which point the line of demarcation will ascend the Zambesi to 5 miles above its confluence with the Shiré, and then follow the watershed between the affluents of Lake Nyassa and those of the Zambesi, till at last it reaches the watershed between the waters of the Zambesi and the Congo.

**ARTICLE 2.**

All flags, without distinction of nationality, shall have free access to the whole of the coast-line of the territories above enumerated, to the rivers there running into the sea to all the waters of the Congo and its affluents, including the lakes, and to all the ports situate on the banks of these waters, as well as to all canals which may in future be constructed with intent to unite the watercourses or lakes within the entire area of the territories described in Article 1. Those trading under such flags may engage in all sorts of transport, and carry on the coasting trade by sea and river, as well as boat traffic, on the same footing as if they were subjects.

**ARTICLE 3.**

Wares, of whatever origin, imported into these regions, under whatsoever flag, by sea or river, or overland, shall be subject to no other taxes than such as may be levied as fair compensation for expenditure in the interests of trade, and which for this reason must be equally borne by the subjects themselves and by foreigners of all nationalities. All differential dues on vessels, as well as on merchandise, are forbidden.

**ARTICLE 4.**

Merchandise imported into these regions shall remain free from import and transit dues.

The Powers reserve to themselves to determine after the lapse of twenty years whether this freedom of import shall be retained or not.

**ARTICLE 5.**

No Power which exercises or shall exercise sovereign rights in the above-mentioned regions shall be allowed to grant therein a monopoly or favour of any kind in matters of trade.

Foreigners, without distinction, shall enjoy protection of their persons and property, as well as the right of acquiring and transferring movable and immovable possessions; and national rights and treatment in the exercise of their professions.

**Chapter III.—Declaration relative to the Neutrality of the Territories comprised in the Conventional Basin of the Congo.**

**ARTICLE 10.**

In order to give a new guarantee of security to trade and industry, and to encourage, by the maintenance of peace, the development of civilisation in the countries mentioned in Article 1, and placed under the free trade system, the High Signatory Parties to the
present Act, and those who shall hereafter adopt it, bind themselves to respect the neutrality of the territories, or portions of territories, belonging to the said countries, comprising therein the territorial waters, so long as the Powers which exercise or shall exercise the rights of sovereignty or Protectorate over those territories, using their option of proclaiming themselves neutral, shall fulfil the duties which neutrality requires.

**ARTICLE 11.**

In case a Power exercising rights of sovereignty or Protectorate in the countries mentioned in Article 1, and placed under the free trade system, shall be involved in a war, then the High Signatory Parties to the present Act, and those who shall hereafter adopt it, bind themselves to lend their good offices in order that the territories belonging to this Power and comprised in the conventional free trade zone shall, by the common consent of this Power and of the other belligerent or belligerents, be placed during the war under the rule of neutrality, and considered as belonging to a non-belligerent State, the belligerents thenceforth abstaining from extending hostilities to the territories thus neutralised, and from using them as a base for warlike operations.

* * * * *

**CHAPTER IV.—Act of Navigation for the Congo.**

**ARTICLE 13.**

The navigation of the Congo, without excepting any of its branches or outlets is, and shall remain, free for the merchant-ships of all nations equally, whether carrying cargo or ballast, for the transport of goods or passengers. It shall be regulated by the provisions of this Act of Navigation, and by the Rules to be made in pursuance thereof.

In the exercise of this navigation the subjects and flags of all nations shall in all respects be treated on a footing of perfect equality, not only for the direct navigation from the open sea to the inland ports of the Congo and vice versa, but also for the great and small coasting trade, and for boat traffic on the course of the river.

Consequently, on all the course and mouths of the Congo there will be no distinction made between the subjects of Riverain States and those of non-Riverain States, and no exclusive privilege of navigation will be conceded to Companies, Corporations, or private persons whatsoever.

These provisions are recognized by the Signatory Powers as becoming henceforth a part of international law.

* * * * *

**ARTICLE 25.**

The provisions of the present Act of Navigation shall remain in force in time of war. Consequently all nations, whether neutral or belligerent, shall be always free, for the purposes of trade, to navigate the Congo, its branches, affluents, and mouths, as well as the territorial waters fronting the embouchure of the river.

Traffic will similarly remain free, despite a state of war, on the roads, railways, lakes, and canals mentioned in Articles 15 and 16.

There will be no exception to this principle, except in so far as concerns the transport of articles intended for a belligerent, and in virtue of the law of nations regarded as contraband of war.

All the works and establishments created in pursuance of the present Act, especially the tax-collecting offices and their treasuries, as well as the permanent service staff of these establishments, shall enjoy the benefits of neutrality ("places sous le régime de la neutralité"), and shall, therefore, be respected and protected by belligerents.

**CHAPTER V.—Act of Navigation for the Niger**

**ARTICLE 26.**

The navigation of the Niger, without excepting any of its branches and outlets, is and shall remain entirely free for the merchant-ships of all nations equally, whether with cargo or ballast, for the transportation of goods and passengers. It shall be regulated by the provisions of this Act of Navigation, and by the rules to be made in pursuance of this Act.
In the exercise of this navigation the subjects and flags of all nations shall be treated, in all circumstances, on a footing of perfect equality, not only for the direct navigation from the open sea to the inland ports of the Niger, and vice versa , but for the great and small coasting trade, and for boat trade on the course of the river.

Consequently, on all the course and mouths of the Niger there will be no distinction made between the subjects of the Riverain States and those of non-Riverain States; and no exclusive privilege of navigation will be conceded to Companies, Corporations, or private persons.

These provisions are recognised by the Signatory Powers as forming henceforth a part of international law.

ARTICLE 33.

The arrangements of the present Act of Navigation will remain in force in time of war. Consequently, the navigation of all neutral or belligerent nations will be in all time free for the usages of commerce on the Niger, its branches, its affluents, its mouths, and outlets, as well as on the territorial waters opposite the mouths and outlets of that river.

The traffic will remain equally free in spite of a state of war on the roads, railways, and canals mentioned in Article 29.

There will be an exception to this principle only in that which relates to the transport of articles destined for a belligerent, and considered, in virtue of the law of nations, as articles of contraband of war.

CHAPTER VI.—Declaration relative to the essential Conditions to be observed in order that new Occupations on the Coasts of the African Continent may be held to be effective.

ARTICLE 34.

Any Power which henceforth takes possession of a tract of land on the coasts of the African Continent outside of its present possessions, or which, being hitherto without such possessions, shall acquire them, as well as the Power which assumes a Protectorate there, shall accompany the respective act with a notification thereof, addressed to the other Signatory Powers of the present Act, in order to enable them, if need be, to make good any claims of their own.

ARTICLE 35.

The Signatory Powers of the present Act recognise the obligation to ensure the establishment of authority in the regions occupied by them on the coasts of the African Continent sufficient to protect existing rights, and, as the case may be, freedom of trade and of transit under the conditions agreed upon.

CHAPTER VII.—General Dispositions.

ARTICLE 36.

The Signatory Powers of the present General Act reserve to themselves to introduce into it subsequently, and by common accord, such modifications and improvements as experience may show to be expedient.

ARTICLE 37.

The Powers who have not signed the present General Act shall be free to adhere to its provision by a separate instrument.

The adhesion of each Power shall be notified in diplomatic form to the Government of the German Empire, and by it in turn to all the other Signatory or adhering Powers.

Such adhesion shall carry with it full acceptance of all the obligations as well as admission to all the advantages stipulated by the present General Act.
APPENDIX (B).

Text of Brussels Declaration of July 2, 1890.

THE Powers assembled in Conference at Brussels, who have ratified the General Act of Berlin of the 26th February, 1885, or who have acceded thereto,

After having drawn up and signed in concert, in the General Act of this day, a collection of measures intended to put an end to the negro Slave Trade by land as well as by sea, and to improve the moral and material conditions of existence of the native races,

Taking into consideration that the execution of the provisions which they have adopted with this object imposes on some of them who have possessions or Protectorates in the conventional basin of the Congo obligations which absolutely demand new resources to meet them,

Have agreed to make the following Declaration:

The Signatory or adhering Powers who have possessions or Protectorates in the said conventional basin of the Congo are authorised, so far as they require any authority for the purpose, to establish therein duties upon imported goods, the scale of which shall not exceed a rate equivalent to 10 per cent. ad valorem at the port of entry, always excepting spirituous liquors, which are regulated by the provisions of Chapter VI of the General Act of this day.

After the signature of the said General Act negotiations shall be opened between the Powers who have ratified the General Act of Berlin, or who have adhered to it, in order to draw up, within the maximum limit of 10 per cent. ad valorem, the conditions of the Customs system to be established in the conventional basin of the Congo.

Nevertheless, it is understood—

1. That no differential treatment or transit duty shall be established;
2. That in applying the Customs system which may be agreed upon, each Power will undertake to simplify formalities as much as possible and to facilitate trade operations;
3. That the arrangement resulting from the proposed negotiations shall remain in force for fifteen years from the signature of the present Declaration.

At the expiration of this period, and failing a fresh Agreement, the Contracting Powers shall return to the conditions provided for by Article IV of the General Act of Berlin, retaining the power of imposing duties up to a maximum of 10 per cent. upon goods imported into the conventional basin of the Congo.

The ratifications of the present Declaration shall be exchanged at the same time as those of the General Act of this day.

APPENDIX (C).

Agreement respecting the Tariff of the Eastern Zone of the Conventional Basin of the Congo, signed at Brussels, December 22, 1890.

THE Undersigned, Sir John Kirk and Mr. M. Gosselin, Delegates of Great Britain; M. le Comte d'Alvensleben and M. W. Göhring, Delegates of Germany; M. le Baron de Renzi and M. A. Bardil, Delegates of Italy, duly authorised to that effect by their respective Governments, in accordance with the provisions of the Declaration signed at Brussels the 2nd July, 1890, as well as of the General Act of the Conference of the same date, have agreed to modify in the following manner, within the limits of the eastern zone of the conventional basin of the Congo, Article IV of the General Act of the Berlin Conference of 1885, in accordance with the conditions specified in the said Declaration:

1. Great Britain, Germany, and Italy, in the territories under their influence situated in the eastern zone of the conventional basin of the Congo, and which are subject to Article IV of the General Act of Berlin, shall have the right to levy duties on goods imported into such territories, either by land or by water, in accordance
with the Customs Regulations actually in force under the Treaties with Zanzibar, which provide for an import duty of 5 per cent. *ad valorem*.

2. Arms and ammunition introduced in accordance with the special provisions of the General Act of Brussels may, however, be charged with an import duty not exceeding the rate of 10 per cent. *ad valorem*, provided that the Treaties containing contrary stipulations are modified, and that circumstances permit of it.

3. The import duty to be levied on alcohols shall be regulated in accordance with the provisions of Chapter VI of the General Act of Brussels.

4. The following goods shall be admitted free of duty, viz.: agricultural machines and instruments, as well as all materials intended for the construction and maintenance of roads, tramways, and railways, and, generally speaking, all means of transport.

5. The present Agreement shall come into force at the same time as the Acts signed at Brussels the 2nd July, 1890. It shall remain in force for a period of five years, and continue in operation for five more years and so on for periods of five years, unless one or other of the three Powers demands its revision six months before the expiration of the quinquennial period.

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**APPENDIX (D).**

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*Interdepartmental Committee on Revision of Treaty Arrangement with Enemy States.*

The Committee held its third meeting at the Foreign Office on the 17th January, 1917.

Present:

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<th>Foreign Office—</th>
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<td>Sir A. Law, Chairman</td>
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<td>Mr. Wellesley</td>
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<td>Mr. Risley</td>
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<th>India Office—</th>
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<td>Mr. Garrett</td>
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Mr. C. S. Nicoll, Foreign Office, Secretary.

The Committee met to consider what attitude should be taken in regard to the Berlin Act, 1885, the Brussels Act, 1890 (and the subsidiary Conventions), governing trade, navigation, and other matters in Central Africa.

It was understood that it was hardly likely that Lord Balfour of Burleigh's Committee would touch upon the African questions in its general report which was soon to be issued.

The chairman pointed out that if any part of Africa remained in German hands, it would be difficult to abrogate the Acts without general consent. On the other hand, if Germany were excluded from Africa, then, if the aim of the Colonial Office that only Powers having possessions in Africa should be parties to treaties affecting Africa were to prevail, she would be automatically excluded from all voice in the matter.

It was therefore necessary to learn what advice the Territorial Committee was giving to His Majesty's Government as to the fate of German territory in Africa.

The position of neutral signatories was then discussed, and it was agreed that negotiation with them would be necessary with the object of obtaining their consent to the abrogation or amendment of the existing conventions. It was pointed out that the war had revealed various methods of putting pressure on neutral States (e.g., the withholding of coal supplies).
Finally, after some further discussion, Sir A. Law proposed, and it was agreed:—

"That though the question of the future of the conquests of the Allies in Africa cannot be assured until the issue of war is more certain, the Committee consider that the Berlin and Brussels Acts and the dependent instruments should be regarded as at an end as between this country and our present enemies; and that those neutral States which are parties to these instruments should be approached as soon as events render such action necessary with a view to the abrogation or revision of the Acts, &c., so as to give this country and her Allies a free hand in future."

January 17, 1917.

APPENDIX (E).

[61321]

Law Officers of the Crown to Mr. Balfour.

Sir,

Law Officers' Department, March 22, 1917.

We were honoured with your commands signified in Sir W. Langley's letter of the 17th instant, transmitting, for your consideration, the accompanying papers relative to the question as to the extent to which the validity of multilateral treaty arrangements is affected by the outbreak of war between certain of the signatory Powers, and requesting us to favour you with our opinion as to the course which should be adopted, from the legal point of view, by His Majesty's Government in regard to such question.

We have taken the matter into our consideration, and, in obedience to your commands, have the honour to submit the following—

Report.

Whatever may be the true view as to the extent to which treaties between belligerents are annulled or suspended by war, it is apparent that the victor may impose whatever terms he thinks fit as a condition of peace. It follows that, in the case of those multilateral treaties to which the only parties are belligerents in the present war, there is no difficulty, in concert with such Allied Powers as may be concerned, in refusing to continue or to revive the treaty or in making variations or imposing new terms as a condition of revival.

The difficulty arises in the case of treaties to which neutral States are parties. It is, in our opinion, substantially though not completely accurate to say that every multilateral treaty is "in effect a set of bilateral arrangements fashioned into one whole for general convenience." But it does not, we think, always or necessarily follow that such a treaty can be annulled with respect to one or more parties without impairing the rights and obligations subsisting between other parties. The whole is something more than the sum of the parts. The relationships concerned are joint as well as several. So, for example, the international instrument which guaranteed the neutrality of Belgium could hardly have been annulled as between France and Germany after the war of 1870 without a violation of the rights of Great Britain.

There are, no doubt, many treaties which may be annulled as between some of the parties without injury to the rights and obligations of the other parties as between themselves. In the case of treaties falling within this category, it appears to us that there is no objection to the course suggested by the Secretary of State. Neutrals cannot have ground of complaint where their rights under the treaty in question are ex hypothesi unaffected. But, if it is desired to annul or vary any treaties to which neutrals are parties falling within the other category (that is to say, treaties whose annulment or variation as between belligerents will affect the rights of neutrals), we are of opinion that the assent of such neutrals is necessary to the new arrangement or to the cancellation of the treaty, as the case may be.

It does not appear to us that there would be, for the purpose, any legal usefulness in an announcement that Great Britain withdraws from her ante bellum obligations towards the States now at war with her. So far as neutrals are concerned, the announcement would in the light of our opinion be inoperative. So far as this country is concerned, there is already complete freedom to deal as is thought fit with ante bellum obligations affecting only enemy States.

We do not examine in detail the views stated in document (C). Much of the argument therein urged is familiar; but the line of reasoning, and the conclusions
apparently recommended, would lead to consequences to which it seems to us highly inexpedient that the Government of this country should be committed.

We have, &c.

FREDERICK SMITH
GORDON HEWART.

APPENDIX (F).

British Trade Interests in the German Overseas Possessions.

Memorandum by the Board of Trade.

1. Import Trade.

The total value of the importations into the German overseas possessions, other than Tsing-tau, in 1912, the latest year for which detailed statistics are available, was approximately 7,000,000£. Of this total the share ascribed to Germany was about 4,350,000£, whilst the United Kingdom participated in the trade to the extent of only about 540,000£. India and Zanzibar, however, were largely interested in the trade of German East Africa, the Union of South Africa in that of German South-West Africa, Australia and other British possessions in the South Seas in that of German New Guinea and Samoa, and the Gold Coast had a share in the import trade of Togoland. Precise statistics are not available, but from the statistics set out in the Appendix it would appear that (allowance being made on the one hand for the inclusion of some German trade in the Australian figures, and on the other hand for the inclusion of some British African trade under the heading of "Rest of Africa") the share of the British Empire, other than the United Kingdom, in the import trade of the German overseas possessions may be estimated at approximately 1,000,000£.

It should be added that of the exports from the United Kingdom cotton piece-goods and other manufactures of cotton represent about one-half of the total value; and that the exports in 1913 were markedly lower than in 1912, owing chiefly to a sharp decline in cottons.

In the case of Tsing-tau, the imports in 1912 were valued at a little under 5,650,000£, of which 2,354,000£ were ascribed to China and the remainder to "Other Countries." Tsing-tau is, of course, an important distributing centre, and though the direct export from the United Kingdom is insignificant, there is no doubt that the United Kingdom has in fact a large share of the trade (of which cotton yarns and manufactures constitute an important part).

It will be seen from Table I (appended) that the total imports into German East Africa were considerably greater than those into any other African colony. On the other hand, so far as the existing pre-war interest of the United Kingdom in the trade of the colonies was concerned, it appears that the imports from the United Kingdom into the Cameroons surpassed those into the other three German African colonies taken together. The safeguarding of existing British trade is therefore of most importance in exactly that colony which is most likely to pass out of British hands into those of our Allies.

2. Production and Export Trade.

Table II, appended to this note, gives the value of the export trade of the German Overseas Possessions (other than Tsing-tau) in 1913 (1912); Table III gives the principal commodities, with the extent to which they were exported from each colony; and Table IV gives the areas in each colony under cultivation for principal commodities in 1913, and the extent to which those areas had actually reached the productive stage.

It will be seen that the total exports in 1913 were valued at approximately 8,000,000£, and of this total diamonds from German South-West Africa accounted for 2,900,000£, or approximately 36 per cent. The next most important commodity was rubber (from the Cameroons and German East Africa); then followed copra (from New Guinea and East Africa), sisal hemp (from East Africa), palm kernels and palm oil (from West Africa), copper ore (from South-West Africa), cocoa (from West Africa and Samoa), hides (from East Africa), raw cotton and cotton-seed (from East Africa and Togoland), and phosphates from New Guinea.

The following notes relate to the produce of the individual colonies:

German East Africa.—The exports, valued at about 1,750,000£, cover a wide range, including as they do rubber, sisal hemp, hides, copra, cotton, earth-nuts, bees-wax, coffee, and mica. There were in 1913, 245,000 acres reported as under
"European" cultivation (rubber estates forming 112,000 acres), of which, however, only 123,500 had reached the productive stage (mostly rubber, sisal hemp, and cotton). Another 1,900,000 acres of forest reserves contain valuable woods: cedar, mangrove, &c. An interesting product is mica, of which, however, the quantities are comparatively small. This commodity is of great importance for the electrical industries, and the supply of it is at present virtually controlled by India and Canada. It will be noted that German East Africa, the most developed of the German colonies (though as yet the development was only beginning), and the one possessing the most varied and useful resources, had also by far the largest import trade in 1913 of all the German colonies (except Tsingtau, which occupies a peculiar position). It is probably, from the commercial point of view, individually the most valuable of the German Oversea Possessions.

German South-West Africa.—The exports were valued in 1913 at approximately 3,500,000£, of which uncut diamonds accounted for 2,900,000£, copper ore for 390,000£, and the only other item of note was a small export (31,500£) of tin ore. The Board have no information as to plantation areas. From the point of view of Imperial development, probably the most immediately important contribution of German South-West Africa to the resources of the British Empire would be copper ore. In 1913 the United Kingdom imported 94,205 tons of copper ore, of which 72,700 tons from foreign countries and only 21,500 tons from British possessions (Australia and the Transvaal are the chief sources of supply); in the same year German South-West Africa exported 47,300 tons.

German West Africa.—The exports were valued in 1913 at approximately 1,900,000£, and consisted of the usual West African produce. About one-third of the value represented rubber (almost entirely from the Cameroons); palm kernels and palm oil accounted for nearly another third; cocoa represented about one-sixth (Togoland's share in this commodity being very small), and the only other items of any note—though very small in amount—were kola-nuts and ivory from the Cameroons and raw cotton from Togoland. The areas under "European" cultivation amounted to some 70,000 acres in the Cameroons (mostly cocoa, rubber, and oil-palm), and in Togoland to only some 3,400 acres. The Cameroons, with three-quarters of the value of the exports from German West Africa, were of much more actual, and probably of greater potential, economic interest than Togoland.

The Pacific Islands.—Little need be said as to these. Their total export trade in 1912-13 was valued at about 850,000£, and consisted as to three-fifths in copra and as to the remainder in phosphates (New Guinea) and cocoa (Samoa). There are banana plantations in Samoa and rubber plantations in that colony and New Guinea.

3. Tariff Regime.

The tariff regime in operation in the German overseas possessions prior to the war was in general of a very moderate character, and no preferential tariff treatment was accorded in any case to German goods.

In this connection it should be remembered that the freedom of Germany as to her tariff policy in Africa (elsewhere than in German South-West Africa) was restricted by (1) the Declaration respecting Import Duties in the Conventional Basin of the Congo, of the 2nd July, 1890, and (2) the exchange of notes with the British Government of 1885 as to the tariff regime in the territories on the Gulf of Guinea. These provided that there should be no differential duties; and a similar rule was established for the British and German possessions and protectorates in the Western Pacific by the Declaration of 1886.

The following paragraphs set out briefly the tariff systems in force in the various German possessions prior to the war:

(a.) German South-West Africa.—Specific rates of duty were levied on a limited number of articles, mostly of a kind generally made the subject of revenue duties (tobacco, spirits, wines, beer, live cattle and sheep, meat, butter, margarine, sugar, firearms and ammunition, matches, and certain medicines), and all other goods were admitted duty free.

(b.) Cameroons.—There was an extensive free list, including all machinery and implements, railway materials, harness and saddlery, iron and steel for building, cement, window glass, manufactures, fuel, scientific and medical instruments. Specific duties were levied on a few commodities (spirits, wine, beer, salt, perfumery, tobacco, firearms, and ammunition). Articles made of textile materials paid 15 per cent. ad valorem, and
manufactures of iron, other than those on the free list, paid 20 per cent.; all other articles paid 10 per cent.

(e.) Togoland.—The free list was somewhat less extensive than that of the Cameroons, though it included all agricultural and mining machinery and apparatus, and there were the usual specific duties on fixed commodities; all goods not included in these two lists paid 10 per cent. ad valorem.

(d.) German East Africa.—The tariff system of this colony was on lines practically identical with that of Togoland.

(e) German New Guinea.—There was a lengthy free list, including railway materials, agricultural machinery and implements, fuel, lubricating oils, tubes, telegraph wires, building materials of all kinds, manures, harness-makers' goods, fence wires, ships' ropes and hawsers, anchors. Specific duties were levied on tobacco, spirits, wines, and beer; all other goods paid 15 per cent. ad valorem.

(f.) Samoa.—Apart from the usual specific duties on revenue articles, all goods paid 12½ per cent. ad valorem.

(g.) Tsingtau.—The rates of duty were those of the Chinese Customs Tariff, but certain articles were admitted duty free (the most important being industrial and agricultural machinery and building materials).

4. In view of the extent of the import trade of the German possessions and its potential development, the amount of British trade there before the war, and the possibility of its rapid expansion if those possessions do not revert to Germany after the war, the nature of the tariff régime likely to be applied in them is a matter of direct and substantial interest, particularly to the trade of the United Kingdom and India.

It appears therefore desirable to set out briefly the characteristic features of the colonial commercial policy of the countries other than the United Kingdom which are, or may claim to be, interested in the re-distribution of the conquered German overseas possessions.

5.—(A.) France.—The French colonies (not including Algeria, where the rates of the French tariff are applied to all non-French goods imported and French goods are admitted free; and Tunis, where a very long list of French goods are admitted free) fall into three groups:

(i.) A small group including Dahomey, the Ivory Coast, French Equatorial Africa (the Convention Basin of the Congo), French Somali Coast, and French India. In these, French and foreign products are subject to identical treatment, and the rates of duty are not high, varying from 3 per cent. to 10 per cent. ad valorem (with a limited free list).

(ii.) A group consisting of Senegal, French Guiana, Upper Senegal and Niger, and Mauritania, where French goods enjoy a substantial preference. Thus all goods not specially mentioned in the tariff pay 5 per cent. ad valorem, but when of other than French origin they pay a surtax of 7 per cent. ad valorem. Unbleached cotton tissues pay a duty of 16 per cent. ad valorem when of French origin, but of 25 per cent. or 30 per cent. when of other origin.

(iii.) A group which includes Guadeloupe, Martinique, French Guinea, Reunion, Indo-China, New Caledonia, Gaboon, Mayotte and Comoro, and Madagascar and its dependencies. In these the general rule is that French goods are admitted free, whilst foreign goods are subjected to the same duties as those leviable on their importation into France itself.

6.—(B.) Portugal.—The Customs régime in force in the Portuguese possessions in Africa is somewhat confused. Thus, in Portuguese East Africa there are two groups of tariffs in force—one for the territories administered by the Mozambique Company and the other for the territories directly administered by the State. In the former there are specific or special ad valorem rates on a number of articles, and all others pay 10 per cent.; but Portuguese goods pay on lower rates than those of the general tariff, e.g., those of a class which pay 10 per cent. under the general tariff pay only 3 per cent. when of Portuguese origin. In the territories administered directly by the State there are three tariffs in operation for different districts. When not separately enumerated imported goods pay 5 per cent., or 3 per cent. ad valorem, others pay higher specific or ad valorem rates; but Portuguese goods enjoy substantial preferential treatment in all
cases where the duty exceeds 3 per cent. \textit{ad valorem}. There are certain surtaxes in force in some areas. The free list in both territories is small.

As regards Portuguese West Africa: for three of its six districts, including Loanda, there is a schedule of duties, mostly specific, and goods not included in the schedule pay 20 per cent. \textit{ad valorem}. Machinery, railway wagons, and rails are free, and Portuguese goods enjoy very substantial preference. In the other districts there is a number of what are described as "free ports," but all goods entering them, whether Portuguese or foreign, pay 10 per cent. \textit{ad valorem}. The non-differentiation is no doubt due to the agreement as to the Congo Basin.

In Portuguese Guinea goods other than alcoholic beverages appear to pay only 3 per cent. \textit{ad valorem}, and there is no Portuguese preference. In the remaining Portuguese possessions in Africa (Cape Verde and St. Thomas and Prince’s Islands) the rates of duty are in a few cases specific, but generally 20 per cent. \textit{ad valorem}, with a substantial Portuguese preference.

7. — (C.) Italy. — In Tripolitania and Cyrenaica the general rate of duty is on imported goods, 11 per cent., but cotton yarns and tissues, made-up cotton goods, woollen yarns and tissues, blankets, sewn woollen goods, carpets, sugar, and matches, pay 8 per cent. \textit{ad valorem}, whatever their origin, plus an additional specific duty, which is either not levied on Italian goods or is charged at a lower rate. The list of duty-free articles is unimportant, but includes agricultural machinery and implements. In Italian Somalland and Erythrea there is marked Italian preference; thus in Erythrea, whilst foreign goods generally pay 8 per cent. \textit{ad valorem} and cottons pay 10 per cent., Italian goods are duty-free.

8. — (D.) Japan. — The only Japanese overseas possessions of importance are Formosa, which is treated fiscally as an integral part of Japan, and Korea, in which the tariff in force prior to annexation is to be kept in force for a term of years under an agreement between the British and Japanese Governments.

From the foregoing survey it appears that the commercial policy nominally pursued by Germany in her overseas possessions was of a markedly more liberal character than that of either France, Portugal, or Italy, in that it did not accord any preference to the produce and manufactures of the mother-country, though no doubt, in fact, German goods did enjoy a real preference in the German colonial markets. Further, as compared with the tariffs in force in the French possessions (where they are not restricted by the international arrangements as in the Congo), the German colonial tariffs were of a very moderate character. The general trend of the pre-war commercial policy of France, Italy, Japan, and even Portugal indicates quite clearly that, unless some safeguards can be established, the transfer to them of any portions of the pre-war colonial possessions of Germany would mean that at an early date British trade with those possessions would have to encounter differential, and in some cases at least, high protective duties.

10. The tariff systems of the various British overseas possessions vary so much that it is not possible to make any general statement as to relative levels of the Customs duties imposed by the Dominion and Crown Colony or Protectorate Governments respectively, but as a broad general proposition it may be stated that transference to the Dominions would be likely to result in the imposition of higher tariffs on goods of British manufacture than if the territories were placed under a Crown Colony system of administration.

**Shipping.**

11. In all the four German African colonies the bulk of the shipping visiting the ports flew the German flag before the war, but of the foreign shipping British vessels exceeded in total tonnage the tonnage of vessels flying all other non-German flags. The following figures, which relate to 1910, sufficiently illustrate the point:

**Total of Entrances and Clearances of all Vessels at Ports in German African Colonies in 1910.**

<table>
<thead>
<tr>
<th></th>
<th>German</th>
<th>British</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Togoland</td>
<td>365,637</td>
<td>120,000</td>
<td>90,942</td>
<td>576,639</td>
</tr>
<tr>
<td>Cameroons</td>
<td>933,468</td>
<td>200,000</td>
<td>157,361</td>
<td>1,290,829</td>
</tr>
<tr>
<td>German South-West Africa</td>
<td>1,174,877</td>
<td>119,974</td>
<td>40,505</td>
<td>1,335,386</td>
</tr>
<tr>
<td>German East Africa</td>
<td>1,174,577</td>
<td>318,429</td>
<td>4,596</td>
<td>1,507,600</td>
</tr>
</tbody>
</table>
It will be seen that our share of the shipping of the colonies was exceedingly small.

At Tsing-tau also British shipping exceeds the shipping under other non-German flags, though in this case it does not fall quite so far below German shipping as in the case of the African Colonies.

We have, no doubt, a right to anticipate that a much larger proportion will fall to the British Mercantile Marine after the war, and it is important that our interests in this matter should be safeguarded if any of the colonies fall to the share of our Allies.

The measures that should be taken to that end present little difficulty. What is required in this case is little more than what we ask for in all commercial treaty negotiations, viz., (1) the right of all British vessels to come with their ships and cargoes to any port open to any Allied vessels; and (2) a guarantee that in regard to port, harbour, lighthouse, and other dues, and in all other respects, such British vessels shall be placed on an absolute equality with vessels of any other nationality and vessels flying the flag of the nation to whom the territory is ceded.

In view of the fact that France in practice reserves to national vessels the trade between the mother-country and Algeria, it is conceivable that she might desire in a similar way to reserve the trade between France and any other African possessions she may acquire. It would be desirable to resist any such action so far as we can, and to insist that trade between any Allied country and any of the former German possessions should be open equally to all vessels flying Allied flags. It is not anticipated that such a claim is likely to be resisted seriously either by France or by any other Power. The practice of France in regard to Franco-Algerian trade is quite special, trade between France and more distant French colonies being open to foreign vessels. Portugal, though in principle she reserves her colonial trade, has, in fact, by a series of decrees, thrown open the greater part of that trade.

Trade between Germany and the German colonies has always been open to vessels of all nations.

Other Provisions.

12. It is no doubt useless to make any attempt to secure any privileged position in regard to future concessions and enterprises in any ceded territories, and existing British interests in German colonies are probably negligible. Nevertheless, as a matter of principle, it would seem desirable that the arrangements between the Allies should include a provision safeguarding any existing concession accorded to any Ally by the former Government, or any enterprise or business interest which was in fact in existence at the outbreak of war.

13. As regards existing German interests in the colonies, it is assumed that we shall not allow German firms to walk quietly back, but that, as in our own colonies, German interests will be liquidated, and the proceeds held in trust as part of the funds to be used for bargaining purposes. In particular German coaling stations should certainly be acquired for British purposes. The experience of the present war has shown how valuable a weapon the control of coaling stations by this country has placed in our hands. It is understood that such coaling stations were in existence before the war at the following German African ports, viz.: Swakopmund (German South-West Africa), Dar-es-Salaam (German East Africa), Duala (Cameroons), and Lome (Togoland). The Germans also had a coaling station at Tsing-tau and one in each of the following possessions: Samoa, New Guinea, Solomon Islands, Caroline Islands, Pelew Islands, and Marshall Islands.

14. A provision also seems desirable on the lines of that which is included in most commercial treaties that all Allied subjects and citizens shall have equal rights to engage in businesses, occupations or professions, and shall be treated on a like footing in regard to taxation, both national and local.

(Initialled) H. Ll. S.

Board of Trade,
October 10, 1916.
**TABLE I.**

<table>
<thead>
<tr>
<th>Name of Territory</th>
<th>Total Imports, 1912</th>
<th>Chief Sources of Supply, 1912.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>Source</td>
</tr>
<tr>
<td>German South-West Africa</td>
<td>1,598,000</td>
<td>Germany</td>
</tr>
<tr>
<td></td>
<td></td>
<td>United Kingdom</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rest of Africa</td>
</tr>
<tr>
<td>Cameroons</td>
<td>1,684,000</td>
<td>Germany</td>
</tr>
<tr>
<td></td>
<td></td>
<td>United Kingdom</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rest of Africa</td>
</tr>
<tr>
<td>Togoland</td>
<td>562,000</td>
<td>Germany</td>
</tr>
<tr>
<td></td>
<td></td>
<td>United Kingdom</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rest of Africa</td>
</tr>
<tr>
<td>German East Africa</td>
<td>2,474,000</td>
<td>Germany</td>
</tr>
<tr>
<td></td>
<td></td>
<td>United Kingdom</td>
</tr>
<tr>
<td></td>
<td></td>
<td>India</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Zanzibar</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rest of Africa</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rest of Europe</td>
</tr>
<tr>
<td>German New Guinea—</td>
<td>289,000</td>
<td>Germany</td>
</tr>
<tr>
<td>1. Bismarck Archipelago, Solomon Islands, Kaiser Wilhelm’s Land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. East Carolines, Marshall Islands, and Nauru</td>
<td>97,000</td>
<td>Germany</td>
</tr>
<tr>
<td>3. West Carolines, Palau, and Marianen Islands</td>
<td>67,000</td>
<td>Germany</td>
</tr>
<tr>
<td>Samoa</td>
<td>246,000</td>
<td>Germany</td>
</tr>
<tr>
<td>Tsing-tau</td>
<td>5,653,000</td>
<td>Germany</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Australia and South Sea Islands</td>
</tr>
<tr>
<td></td>
<td></td>
<td>China</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other countries</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,943,900</strong></td>
<td></td>
</tr>
</tbody>
</table>

**TABLE II.**

Total Exports from German Colonies in 1913 (New Guinea, 1912).

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>German East Africa</td>
<td>1,747,900</td>
</tr>
<tr>
<td>Cameroons</td>
<td>1,433,500</td>
</tr>
<tr>
<td>Togoland</td>
<td>449,300</td>
</tr>
<tr>
<td>German South-West Africa</td>
<td>3,456,500</td>
</tr>
<tr>
<td>(a) Bismarck Archipelago</td>
<td>247,900</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td></td>
</tr>
<tr>
<td>Kaiser Wilhelm’s Land</td>
<td></td>
</tr>
<tr>
<td>(b) East Carolines</td>
<td>253,900</td>
</tr>
<tr>
<td>Marshall Islands</td>
<td></td>
</tr>
<tr>
<td>Nauru</td>
<td>258,000</td>
</tr>
<tr>
<td>(c) West Carolines</td>
<td>92,500</td>
</tr>
<tr>
<td>Palau</td>
<td></td>
</tr>
<tr>
<td>Marianen</td>
<td>959,500</td>
</tr>
<tr>
<td>Samoa</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,343,500</strong></td>
</tr>
</tbody>
</table>
TABLE III.

PRINCIPAL and Important Exports from German Colonies in 1913 (New Guinea, 1912).

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Colony</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Tons.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diamonds (uncut)</td>
<td>South-West Africa</td>
<td>..</td>
</tr>
<tr>
<td></td>
<td></td>
<td>..</td>
</tr>
<tr>
<td>Rubber</td>
<td>East Africa</td>
<td>1,367</td>
</tr>
<tr>
<td></td>
<td>Cameroons</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>Togoland</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>New Guinea—</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a.) Bismarck Archipelago</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Solomon Islands</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Kaiser Wilhelm’s Land</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Copra</td>
<td>East Africa</td>
<td>5,477</td>
</tr>
<tr>
<td></td>
<td>New Guinea—</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a.) Bismarck Archipelago</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Solomon Islands</td>
<td>11,373</td>
</tr>
<tr>
<td></td>
<td>Kaiser Wilhelm’s Land</td>
<td>4,894</td>
</tr>
<tr>
<td></td>
<td>(b.) East Carolines</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marshall Islands</td>
<td>1,103</td>
</tr>
<tr>
<td></td>
<td>Nauru</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c.) West Carolines</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Palau</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mariana Islands</td>
<td>9,633</td>
</tr>
<tr>
<td></td>
<td>Samoa</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sisal hemp</td>
<td>East Africa</td>
<td>20,855</td>
</tr>
<tr>
<td></td>
<td>New Guinea—</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a.) Bismarck Archipelago</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Solomon Islands</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Kaiser Wilhelm’s Land</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palm kernels</td>
<td>Cameroons</td>
<td>7,140</td>
</tr>
<tr>
<td></td>
<td>Togoland</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Palm oil</td>
<td>Cameroons</td>
<td>1,174</td>
</tr>
<tr>
<td></td>
<td>Togoland</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Copper ore</td>
<td>South-West Africa</td>
<td>47,845</td>
</tr>
<tr>
<td>Cocoa</td>
<td>Cameroons</td>
<td>385</td>
</tr>
<tr>
<td></td>
<td>Togoland</td>
<td></td>
</tr>
<tr>
<td></td>
<td>New Guinea—</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a.) Bismarck Archipelago</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Solomon Islands</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>Kaiser Wilhelm’s Land</td>
<td>890</td>
</tr>
<tr>
<td></td>
<td>Samoa</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Hides</td>
<td>East Africa</td>
<td>3,456</td>
</tr>
<tr>
<td></td>
<td>South-West Africa</td>
<td>345</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commodity</th>
<th>East Africa</th>
<th>Togo</th>
<th>Total</th>
<th>£</th>
</tr>
</thead>
</table>
| Raw cotton      | 2,192       | 18,700
| Tons.           | 2,664       | 147,800 |
| Cotton seed     | 2,949       | 10,100 |
| Phosphates      | 138,725     | 170,500 |
| (a) East Carolines | 138,725   |       |
| Marshall Islands| 985         | 11,900  |
| (b) West Carolines | 54,400    | 74,900  |
| Nauru           | 28,600      |       |
| Palau           | 200         | 2,585   |
| Marianas        | 200         | 2,585   |
| Total           | 193,125     | 145,400 |
| Earth nuts      | 8,560       | 34,300  |
| Bees-wax        | 550         | 88,800  |
| Ivory           | 11,800      | 40,000  |
| Kola-nuts       | 47,700      |       |
| Coffee          | 1,059       | 46,800  |
| Gold            | 0.33        | 88,300  |
| Tin ore         | 51,800      |       |

### TABLE IV.

**Area (in Acres) of European Plantations in the German Colonies, 1913.**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>East Africa</th>
<th>Camerons</th>
<th>Togo</th>
<th>New Guinea</th>
<th>Samoa</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bananas</td>
<td>387</td>
<td>5,410</td>
<td></td>
<td>12</td>
<td>241</td>
<td>6,050</td>
</tr>
<tr>
<td>Actually productive</td>
<td>387</td>
<td>567</td>
<td></td>
<td>5</td>
<td>241</td>
<td>1,620</td>
</tr>
<tr>
<td>Cocoa</td>
<td>300</td>
<td>32,009</td>
<td>437</td>
<td>385</td>
<td>2,082</td>
<td>43,676</td>
</tr>
<tr>
<td>Actually productive</td>
<td>175</td>
<td>90,437</td>
<td>200</td>
<td>519</td>
<td>3,783</td>
<td>26,107</td>
</tr>
<tr>
<td>Coffee</td>
<td>12,007</td>
<td>287</td>
<td></td>
<td>22</td>
<td>7</td>
<td>12,303</td>
</tr>
<tr>
<td>Actually productive</td>
<td>5,477</td>
<td>25</td>
<td></td>
<td>15</td>
<td>7</td>
<td>5,664</td>
</tr>
<tr>
<td>Coker-nut palm</td>
<td>20,445</td>
<td>1,647</td>
<td>73,105</td>
<td>12,221</td>
<td>107,418</td>
<td></td>
</tr>
<tr>
<td>Actually productive</td>
<td>4,957</td>
<td>667</td>
<td>22,898</td>
<td>9,006</td>
<td>42,782</td>
<td></td>
</tr>
<tr>
<td>Cotton</td>
<td>32,352</td>
<td></td>
<td></td>
<td>32,352</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actually productive</td>
<td>32,352</td>
<td></td>
<td></td>
<td>32,352</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kapok</td>
<td>6,580</td>
<td>86</td>
<td></td>
<td>17</td>
<td>17</td>
<td>6,699</td>
</tr>
<tr>
<td>Actually productive</td>
<td>1,008</td>
<td></td>
<td></td>
<td>17</td>
<td>17</td>
<td>1,191</td>
</tr>
<tr>
<td>Oil-palm</td>
<td>260</td>
<td>12,810</td>
<td>146</td>
<td>17</td>
<td>17</td>
<td>13,016</td>
</tr>
<tr>
<td>Actually productive</td>
<td>15</td>
<td>4,217</td>
<td></td>
<td>17</td>
<td>17</td>
<td>14,292</td>
</tr>
<tr>
<td>Rubber</td>
<td>113,357</td>
<td>18,505</td>
<td>435</td>
<td>5,647</td>
<td>2,902</td>
<td>139,556</td>
</tr>
<tr>
<td>Actually productive</td>
<td>48,010</td>
<td>2,352</td>
<td>50</td>
<td>5,592</td>
<td>557</td>
<td>48,774</td>
</tr>
<tr>
<td>Sisal hemp</td>
<td>61,877</td>
<td>657</td>
<td>15</td>
<td>10</td>
<td>10</td>
<td>62,739</td>
</tr>
<tr>
<td>Actually productive</td>
<td>35,097</td>
<td>170</td>
<td></td>
<td>10</td>
<td>10</td>
<td>36,067</td>
</tr>
</tbody>
</table>
APPENDIX (G).

NECESSITY FOR PROVIDING SEAPLANE AND AIRSHIP BASES AND AERODROMES AND FOR SAFEGUARDING FLYING RIGHTS.

Copy of a Letter from Secretary, Air Board, to Captain L. S. Amery.

April 18, 1917.

WITH reference to paragraph 48 of the Third Interim Report of the Inter-Departmental Committee constituted as a Sub-section of the Committee of Imperial Defence for the purpose of considering the question of territorial changes in Africa and elsewhere outside Europe, I am directed by the President of the Air Board to submit the following points for the Committee's consideration:

The rapid development in aeronautics during recent years makes it probable that aerial navigation will be as important a factor in peace as it has proved to be in war. It is consequently desirable, in any readjustment of territorial boundaries, to take into account the necessity for providing suitable seaplane and airship bases and aerodromes, and for safeguarding flying rights in the areas which the Inter-Departmental Committee has been considering from other points of view.

Starting from Egypt, two routes to India could be developed:

1. From Port Soudan or the most southerly British point on the western shore of the Red Sea to Perim or Aden; then to Socotra; thence to the Kuria Muria Islands; thence to Mesrah Island; thence to Baluchistan.

2. An alternative and easier route is provided via Syria and the Euphrates and Tigris valleys to the Persian Gulf. It would be necessary to secure a seaplane base and an aerodrome at or near Alexandretta, and flying rights across Syria, so as to strike the Euphrates at Jerablus or via, Aleppo at Maskene. Thence the course of the river would be followed to its mouth; thence to Bushire; thence to Lingah or Jask; thence to Baluchistan. Arrangements would presumably have to be made with the Persian Government to secure seaplane bases and aerodromes at Bushire, Lingah, and Jask.

Australia.—In order to be able to connect Burma and Australia via the Malay States and Singapore, it would be necessary to acquire, by purchase or exchange, seaplane bases in some of the islands of the Malay Archipelago now belonging to the Dutch.

Africa.—The course of the Nile and the chain of Central African lakes appear to afford a satisfactory aerial route for seaplanes from Egypt to Northern Rhodesia.

Cameroons and Togoland.—With reference to paragraphs 24 to 26 inclusive of the Second Interim Report, it would be desirable to come to a satisfactory arrangement with the French to enable us to cross their territory from the vicinity of Lake Chad to our own territory in the neighbourhood of El Fasher.

Transatlantic Communication.—In this connection the acquisition of a seaplane and airship base in the Azores is of the utmost importance. The Azores form a convenient pivot for aerial communication with England, Gibraltar, the Canary Islands, and St. Vincent on the east, and Bermuda, Halifax, and Newfoundland on the west. An aerial base in this group of islands would be of the greatest strategic value for patrolling the Atlantic.

An alternative transatlantic aerial route from Great Britain to America would start from the North of Scotland and pass through the Faroe Islands, Iceland, and Greenland to Newfoundland and Labrador. This latter route would, for climatic reasons, only be available under the best circumstances from June till October, and even during that period it would be liable to be seriously interfered with by fog.

I am, &c.

(Signed) H. P. HARVEY.
ENEMY PERSONNEL COMMITTEE.

(BEING A SUB-COMMITTEE OF THE COMMITTEE OF IMPERIAL DEFENCE.)

Inquiry regarding the probable Resources of the Enemy in Personnel at the present Stage of the War.

SECOND REPORT.

Part I.—Germany, Revised to April 30, 1917.
Part II.—Austria-Hungary, Revised to June 1, 1917.
Part III.—Turkey, Revised to November 30, 1916.
Part IV.—Bulgaria, Revised to December 31, 1916.

(Previous Paper, G.-72.)

2, Whitehall Gardens, S.W.,
September 1917.
Terms of Reference.

AT a meeting of the War Committee, held at 10, Downing Street, S.W., on Wednesday, the 10th May, 1916, it was decided to set up a Committee to examine and report on the probable resources of the enemy in personnel at the present stage of the war. The War Committee recommended that the Registrar-General be asked to take the Chair, and that he should be assisted by Dr. Stevenson, Dr. Brownlee, Sir Claud Schuster, a representative of the General Staff, and any other members whom the Prime Minister might nominate.

The following additional members were accordingly nominated: Major E. W. Cox, D.S.O., R.E., of the Imperial General Staff; Mr. A. W. Flux, of the Board of Trade; and Major C. L. Storr, Assistant Secretary of the Committee of Imperial Defence.

2, Whitehall Gardens, S.W.,
May 10, 1916.

Extract from the Proceedings of a Meeting of the War Committee, held on October 20, 1916.

12. The War Committee had before them the Report of Sir Bernard Mallet's Sub-Committee on Enemy Personnel, dated the 23rd August, 1916.

The Secretary was instructed to circulate the report to members of the Cabinet, to thank Sir Bernard Mallet for it, and to request that the Committee should issue further reports on this subject at intervals of six months dating from the completion of the first report.

2, Whitehall Gardens, S.W.,
October 27, 1916.

Note.—On the 26th March, 1917, Sir Julian S. Corbett and Sir Mackenzie D. Chalmers, K.C.B., C.S.I., were added to the Committee with the approval of the Prime Minister. (See Minute 7 in War Cabinet File No. 25/N/1.)
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IN our original report, dated the 26th June, 1916, on the probable resources of Germany in personnel, we adopted the method of a "balance-sheet" of these resources, comparing the various heads under which the men of military age had been utilised or expended with an estimate of the total mobilizable population. Most of these estimates, however, were necessarily of a doubtful character, and with the progress of the war the chances of error in this procedure automatically increase, while the independent evidence of growing depletion of reserves accumulates. We were, therefore, at first inclined to discard this method (as in the case of our revised report on Turkey), and to endeavour to form an opinion, from such indications as we could obtain of the lowness of the reserve of potential armed strength, how far it might still be possible for the enemy to supplement the forces serving in the field or training in the depots, the number of which is much more accurately known than any other element in the calculations presented in our first report. But it is obvious that, however strong the evidence of depletion of the potential military strength may be, it would still be insufficient to enable us to suggest a particular figure for any remaining untrained reserve.

Partly for this reason and partly because of the interest and importance attaching to each of the items in a table showing utilisation of German personnel, it appeared to us that the conclusions arrived at from direct evidence of exhaustion of man-power must be supplemented and checked as far as possible by an attempt to estimate expenditure of personnel under various headings. We were, moreover, given to understand that a fresh estimate was desired of the number of men of military age still retained in industry in Germany, and especially in that of the supply of munitions of war, which it was thought might be approached from the point of view of British and French experience. We have, therefore, decided to present, as the principal feature of this report, as well-considered an estimate of the industrial position as we could form from a survey of the very unsatisfactory data at our command; together with an estimate of the permanent casualties suffered to date by the enemy, the number of the forces in the field and in training, and other items leading up to a balance-sheet on the lines of our previous report. Although the conclusions arrived at appear to us reasonable—we could not otherwise have put them forward—we are obliged to add a warning that they should be regarded for the most part as estimates only, and that we attach more importance to the direct evidence of depletion of man-power to which we shall return at the conclusion of the present report.

**MALES OF MILITARY AGE IN GERMANY.**

By the end of 1916 the classes serving in Germany were those of 1889 to 1918 inclusive, i.e., men aged over 18 but under 48 at that date. From Table II of our previous report it may be seen that the total number of such males in Germany at this date (or rather on the 1st December, which is the more convenient date for calculation, being exactly six years after the last published census) would, under normal conditions and in the absence of migration since the census of 1910, have amounted to about 13,314,497. To obtain the numbers available for recruiting, this total has, as before, been diminished by the foreigners (taken at 51,643, see Table III of our previous report) and German emigrants (taken at 30,115) contained in it, and increased to allow for the return of Germans resident in Austria-Hungary at the outbreak of war (taken at 38,398). The resultant totals at various ages are as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Age</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1918-1889</td>
<td>18-48</td>
<td>14,801,000</td>
</tr>
<tr>
<td>1917</td>
<td>18-</td>
<td>665,000</td>
</tr>
<tr>
<td>1916-12</td>
<td>19-</td>
<td>646,000</td>
</tr>
<tr>
<td>1911-07</td>
<td>20-</td>
<td>3,024,000</td>
</tr>
<tr>
<td>1906-02</td>
<td>25-</td>
<td>2,683,000</td>
</tr>
<tr>
<td>1901-1897</td>
<td>30-</td>
<td>2,404,000</td>
</tr>
<tr>
<td>1896-92</td>
<td>35-</td>
<td>2,090,000</td>
</tr>
<tr>
<td>1891-89</td>
<td>40-</td>
<td>1,027,000</td>
</tr>
</tbody>
</table>

The total number of men from whom German recruits have been drawn is, however, a little larger than this, for the figures here given include no men who would under peace conditions have died since the commencement of the war, whereas many such...

[718—1]
men have in fact, of course, been called up. Their deaths are included amongst the estimated casualties, and unless allowance is made for them the method followed would result in counting such deaths twice over, first in arriving at the field for recruiting, and again in reckoning casualties. The total number of men called up has, of course, been increasing continuously since the commencement of the war, but if it be put at 7,000,000 to 8,000,000 as an average for the first two and a third years of war to the 1st December, and if the mortality of males aged 18-48, from whom invalids have been sifted by medical examination, be put at 5 per 1,000 living, the deaths in question would number 80,000 to 90,000. These men, having formed part of the recruitable population, but not being included in the figure of 14,801,000 arrived at above, should be added to it, bringing the total in round numbers to 14,900,000.

In addition to classes 1889-1918, part of that of 1919, which was rather smaller than that of 1918, and may be estimated to include a total of about 650,000 lads, is now (June) serving. It is convenient, however, to keep this class distinct, as the general standard of fitness for service cannot apply at this age, and the number available this year is taken at only 300,000.

The question of recruiting for the German army from non-German sources should be referred to here. We do not think that any considerable numbers of men are thus obtainable. Presumably Poland would be the most important source of such recruits, and as to the numbers obtained in this quarter we have the statement of Polonia of the 20th May, 1917, that the Polish legions never numbered 30,000, and when handed over by the Austrians to the Germans in March last had dwindled to 10,000 men.

ALLOWANCE FOR PHYSICAL UNFITNESS.

We have been compelled, in view of information recently communicated to us concerning the progress of mobilization in France down to September 1916, to make a substantial modification of the estimate under this head contained in our previous report. We there assumed that the proportion of men mobilized by France early in 1916, some 75 per cent. of the total population of military age, was limited mainly by physical unfitness for service. In doing so we had in mind recruiting experience in peace and in previous wars, which suggested that of men aged 18-48 some 20 to 25 per cent. would prove unfit for military service. From the new information, however, it appears that as the result of repeated revisions of the rejected men, their number had last autumn been reduced to 350,000 out of a total field of some 8,400,000, aged in this case 19 to 50, or less than 5 per cent. Evidently the efforts being made in this war are by no means to be inferred from previous ideas of what was possible, and we feel that it would be unsafe to rate the length to which Germany is prepared to go in passing men as fit for service by any lower standard than the effort of France, especially in view of the evidence from recent captures in favour of an extremely low standard of recruiting, and of the efforts now being made under the National Civilian Service Law and otherwise to place as many men as possible at the disposal of the military authorities.

On this basis the number of men rejected as unfit in Germany, apart from class 1919, would be only about 620,000, and of these no doubt a considerable proportion may now be found amongst the number of men regarded as indispensable to war industry. The total, however, includes all the lunatics, prison population, cripples, and complete invalids of these ages in Germany, and of the remainder there must be many who are neither skilled in nor adapted for any of the indispensable occupations. Making every allowance for the most advantageous utilisation of all possible labour from this source, we do not think it likely that more than 120,000 of these men can now be filling posts for which fitter men would otherwise have to be kept back from the army, and we

* See report of Sir Arthur Lee on mobilization in France to the Director-General of Recruiting, dated the 25th September, 1916. The French figures may be epitomised as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Number</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army and Navy</td>
<td>3,100,000</td>
<td>37-2</td>
</tr>
<tr>
<td>Munition workers (546,000 on April 1, 1917)</td>
<td>490,000</td>
<td>5-8</td>
</tr>
<tr>
<td>Other exemptions</td>
<td>400,000</td>
<td>4-8</td>
</tr>
<tr>
<td>Unfit</td>
<td>350,000</td>
<td>4-2</td>
</tr>
<tr>
<td>Total</td>
<td>8,400,000</td>
<td>100-0</td>
</tr>
</tbody>
</table>

Many men classed above as exempted are nominally in the army, as, for instance, railway servants, but are classed as exempted because employed on duties not regarded in this country as of a military nature.
therefore estimate the deduction from the total of German manhood on account of unfitness at 500,000, leaving any excess over this number to be reckoned amongst the men indispensable to industry.

MEN NECESSARILY RETAINED IN CIVIL OCCUPATIONS.

This number cannot be estimated with any approach to accuracy, as the circumstances of countries differ so widely that the practice of one cannot be inferred from that of another. Thus, as we have seen, the number of men kept out of the fighting forces as indispensable in civil occupations was under one million in France last autumn, whereas at a later date it was over four millions in Great Britain, with a population only slightly in excess of that of France. It appears to us unlikely that the proportion in Germany can either be as high as in Great Britain or as low as in France.

MUNITIONS.

No doubt the principal occupations for which men have to be kept back from the army are those connected with the output and transport of munitions. In this connection the meaning to be attached to the term “munitions” should be narrow rather than wide, for such army stores as clothing, boots, and food, while they involve the activities of large numbers of workers, yet represent rather the accentuation of a normal demand than the creation of a new one. Such stores are consumed by the civil as well as the military population, and civilians may well go without in order that the increased requirements of the army may be met. Consequently, even in a country like Germany, where the commodities have to be produced almost entirely at home, the total output is not necessarily increased to any great extent, and it may therefore be possible by dilution of labour to meet the increased demand of the military section of the population without the aid of men of fighting age. We believe that, broadly speaking, this is the case in Germany, where the boot and clothing industries are much depressed by lack of raw material, and where by aid of foreign and especially prisoner labour it has been possible to cut down agricultural exemptions to a very low figure.

The case is very different with the output of munitions proper, comprising mainly weapons and their ammunition, and including new plant required for their production, and so affecting especially the metal and chemical industries. Here the demand is for articles not produced at all during peace, or produced on a scale which is almost negligible compared with the demands of war. This enormously increased production involves the employment of certain types of craftsmen to such an extent that the demand cannot possibly be met either by men over military age (for their number is far too small) or by dilution with unskilled labour, for even when this has been carried to its utmost extent large numbers of skilled men are essential. Hence it comes that in France, where mobilization has been carried almost as far as would seem to be conceivably possible, more than half the total number of exempted men belong to this group of munition workers, and in this country the proportion is also very high. Here, however, as in Germany, a class of worker has to be reckoned with which is only represented in minor degree in the French reservations—that engaged upon the production of the raw material of munitions, chiefly coal and iron or steel. As these materials are largely or even mainly imported in the case of France, whereas in Germany and the United Kingdom they have to be almost entirely produced at home, with even some allowances for essential exports, it will be convenient to consider coal and steel production apart from that of finished munitions, in order that comparison with France may be facilitated.

We have attempted to estimate the numbers of men required for munitions production in Germany by comparing the output of this country and of France with the numbers of total workers and of men of German military age employed, and then applying the ratios so established to the estimated munitions requirements of Germany. Many difficulties are met with in making a comparison of this nature, owing to the complexity of the products comprised under the term “munitions,” to the extent to which imported material is employed by the French and ourselves, and to the uncertainty as to German expenditure and requirements. It will be understood therefore that the results attained can only be regarded as very loose approximations.

The comparative munitions activity, apart from coal and steel production, of Great Britain, France, and Germany, has been estimated by a method described in Appendix I, proportionate figures coming out at 152, 151, and 261 for the three countries respectively. In the case of Great Britain a large, and in that of France a considerable, proportion of the total output represented by these figures is imported in a manufactured or semi-manufactured condition, whereas Germany is no doubt obliged to do
practically all her own manufacturing for herself. An attempt is made in Appendix II to estimate the proportion of work done abroad in the munition supply of Great Britain and France. For this country the proportion may be taken as 40 per cent., with a considerable tendency to diminish, and for France at 17 per cent. In estimating the British proportion the very considerable Canadian production has been treated as "foreign," although the output dealt with is that for the armies of the Empire as a whole, because it is only for the United Kingdom that we have obtained the data as to numbers of persons employed.

We have been provided by Professor Chapman, whose assistance in regard to this and other matters has been of great advantage to the Committee, with an estimate of the total number of workers engaged in the manufacture of munitions in the United Kingdom, apart from the production of steel billets and plates, &c. This estimate, which has been prepared on the basis of returns furnished by employers to the Board of Trade, places the number of workers in January 1917 at about 1,600,000, of whom about 40 per cent. were males aged 18-48. Adding two-thirds to the total workers to represent the 40 per cent. of imported as against 60 per cent. of home-produced articles, the total number of workers employed on British munitions may be estimated at 2,666,000. If this number is increased in the proportion 152:261 to correspond with German production, the total estimated number engaged in Germany, apart from output for the navy and for the Allies, is about 4,580,000, of whom, if the proportion of males aged 18-48 were the same as in this country, about 1,830,000 would be males of military age. With additions for naval construction and munitions and for supplies to Allies the total might easily come to 2,000,000.

This seems to us an outside figure for total males aged 18-48, for there is much reason to suppose that the output per worker may be greater in Germany than here, both on account of longer hours and less restriction of output, and probably also on account of more modern buildings and plant in Germany, and insistence on higher finish in British production. It has also to be borne in mind that the chemical and metal working plant for munitions production had to be newly created here to a larger degree than in Germany, and that our equipment of field and heavy guns has had to be provided since the outbreak of war to a much larger extent than in the case of either Germany or France. Moreover, the method of comparison employed in Appendix I, though the best at our command, is not by any means a strictly accurate one. For cost is used as the measure of work done, and it may not be an accurate one in comparing production of large shell in which the cost of explosives is of maximum importance, with that of small shell, where explosives account for a smaller proportion of total cost. For this reason Great Britain, and still more France, with their smaller proportion of heavy guns, may find it necessary to employ more labour in proportion to total ammunition output, as measured in terms of the 6-inch shell, than does Germany. In the case of coal and iron, where production can be easily compared with numbers employed, the output per worker is greater in Germany. Before the war each miner in Germany appears to have raised about 280 tons of coal per annum as against about 260 in England and Wales, but the difference appears to be greater for iron and steel production.

As against these considerations there is abundant evidence from German sources of the reduction of working capacity now caused by underfeeding, which has been variously estimated at from 25 to 50 per cent. Special measures have, it is true, been taken for nearly a year past to secure the nutrition of munition workers as far as possible, but the very fact of such measures being necessary is significant, and that they fail so short of complete success is proved by such a statement as that of the head of the Imperial Supply Office, quoted by Mr. Max Muller in his December 1916 Report, numbered 16606 (page 3), that from inquiries made in a large number of munition factories it had been ascertained that the efficiency of the workers had diminished by 30 per cent. On the other hand, we have the journal Die Konjunktur, of the 16th November, 1916 (quoted in the Board of Trade Economic Notes, No. 24, p. 28), speaking of "classes of munition workers whose dietary is more liberal than in peace time, simply because the firms are in a position to spend large sums on special food supplies." This statement, however, is the only one of the kind known to us, as against many pointing to diminished working capacity from underfeeding, even of munition workers, miners, and shipyard workers.

It may be, moreover, that the proportion to total workers of men of military age engaged in munition production in Germany is less than it was in Great Britain in January last, but it may be doubted whether this is the case, since the proportion of
females employed on munitions in Germany may be inferred from statements recently made by Dr. Haffner to be 24 per cent. of total workers against 31 per cent. in this country.

For these reasons we do not consider it likely that the number of males of military age employed in the production of German munitions is as high as 2,000,000, and in any case they need not all be Germans. Prisoners and men from the occupied territories have undoubtedly been made to replace Germans as far as possible. The extent to which this replacement may have been carried is very difficult to estimate. In view of the number of substitutes available, we think it would be unsafe to assume that any unskilled men of German nationality have been retained in munition work; but the great bulk of the British—and so presumably of the German—workers concerned are skilled men, for whom substitutes could hardly be forthcoming in any great numbers from amongst the prisoner and deported populations, while it may be assumed that those obtained would take care to be as inefficient as possible. On the whole, we may perhaps say that the British analogy points to the retention of a number of German males of military age in the work of munitions production which may be as large as 1,500,000, and pass on to consider the matter in the light of French experience.

The number of persons engaged in the manufacture of munitions in France on the 1st April, 1917, is stated by the French Ministry of Munitions to have been 1,567,357, comprising 538,351 men exempted from military service for the purpose, 663,795 civilians, and 364,611 females. The civilians include some men of military age, but unfit for service, who should be added to the exempted men to obtain the total number of Frenchmen of military age. In view of the strictness of French recruiting practice, which rejects less than 5 per cent. of the population as unfit for service, we do not suppose that the increase on this account can be very considerable. If we assume it to be 25,000, the proportion of total workers formed by Frenchmen of military age becomes 36 per cent., as against 40 per cent. for this country; but for France an unstated but appreciable number of colonial natives and foreigners has to be added to obtain the total males of military age at work. It would seem, therefore, that the total cannot well be less than 600,000, and may be more. Taking it at this figure, it has to be increased as 83 : 100, or by about 20 per cent., to allow for the fact that some 17 per cent. of French munitions appear to be imported, taking payments made as the test of volume of output (see Appendix II). This proportion is based upon total expenditure up to the 30th April, 1917, and may to some extent over-estimate the proportion now coming from abroad. Perhaps we may say that the present output of munitions for the French army involves the activity of 700,000 men of military age, and about 1,850,000 workers of all ages and both sexes. Increasing these numbers in the proportion 151 : 261, we obtain an estimate on the French analogy of about 1,200,000 men of military age, and about 3,200,000 workers for Germany, to which some addition must be made for naval munitions and supplies to Allied countries, but from which deduction has, on the other hand, to be made for prisoners and other foreign labour employed. Probably, therefore, we may regard the French analogy as pointing to the employment of about 1,000,000 Germans of military age on the production of munitions.

In addition to estimation from British and French experience, it is possible from officially published German statistics alone to arrive at an approximate estimate of the number of males employed in the characteristic munitions industries in Germany, although of course not all of them will be actually engaged upon munitions. These figures, as well as a great deal of other useful information, have been furnished to us by Mr. Wotzel, of the Board of Trade, and the method of their employment (which is described in Appendix III) was suggested by him.

From the data there considered we arrive at an estimate of 3½ million workers, of both sexes and all ages, in the munition trades of Germany. In order to arrive at the probable number of munition workers included in this total, it has to be reduced to allow for a certain proportion of the normal metal-working industry, which must be maintained because essential to the national life. In Great Britain this proportion is believed to be about 18 per cent., and in Germany, which is not under the same necessity of maintaining exports, it should presumably be lower. If, to be on the safe side, we reduce it only to 15 per cent., the total number of Germans employed upon munitions comes out at 3,187,000—say, 3,200,000. If the proportion formed by men of military age is similar to that in France, say 38 per cent., or of men aged 18-48 in Great Britain, about 40 per cent., the men of military age employed upon munitions in Germany should number approximately 1½ million.
The three estimates of total munition workers—on the British analogy, 4,580,000; on the French analogy, 8,200,000; and on the German data also 3,200,000—all presumably include prisoner and other foreign labour engaged on munitions, for, though the insurance figures for 1913, on which the estimate on Mr. Wotzefy's lines is based, may be regarded as to all intents and purposes limited to persons of German nationality, the foreign element during peace being comparatively small, there is no reason to suppose that newly-engaged foreign labour was excluded by the employers in making up their returns.

We must now endeavour to estimate as best we may the proportion of these total workers formed by German males of military age, and here the difficulty of the task increases, for though a good deal of information is published as to changes in the total numbers of workers in certain industries and services, very little is afforded as to the proportion of these liable to military service. It will be convenient to consider first the cases of miners and of iron and steel workers.

**Mining, and Iron and Steel Production.**

It may be taken from the detailed statistics published of persons employed in Prussian mines (about 90 per cent, of the total) that the number so employed declined from 833,000 early in 1914 to about 625,000 in the fourth quarter of 1916, the latest period for which the returns are available, the number of coal and lignite miners being 713,000 at the earlier and 529,000 at the later date. This decline in numbers is consistent with what is known as to output, which fell, for coal only, from 191,511,154 tons in 1913, for the German Empire, to 146,712,350 tons in 1915, and, according to a statement in the Russian press, which we have not been able to verify from German sources, to about 134,000,000 tons in 1916. We know from German sources that the capacity per worker has been reduced by the withdrawal of many of the best workers for service and the introduction of boys and old men, as well as probably by underfeeding; but that, on the other hand, the hours worked have increased, shifts of twelve hours being often worked. Moreover, it is very possible that attention is being concentrated during the war upon the maximum immediate output of coal at the expense of future production. Perhaps, therefore, no great change in output per worker need be looked for, and it may be seen that the 1915 output at 280 tons per worker would require 524,000 workers. According to the most recent Prussian statistics (those for the fourth quarter of 1916), the mine-workers in that country included 32,665 females, or about 6 per cent, of the total staff, the proposal made some time ago to employ them underground having been vetoed. It would follow that the males now employed in the whole of Germany should number about 587,000.

In iron and steel manufacture we include blast furnace work, steel manufacture, and metal rolling, in which it is recorded in *Stahl und Eisen* that 370,000 males were employed in 1913. In 1916 pig iron production was fairly steady at about 30 per cent, and steel production at 15 per cent., below the pre-war figure, according to monthly returns published up to and including October. The bulk of the workers being concerned with steel, the reduction for the whole group of men employed may be put at 20 per cent., bringing the total to 300,000 in round numbers.

In the early months of the war great drafts were made upon both the miners and the iron and steel workers, and for a time production fell to a very low level. It seems to have soon been realised, however, that this state of affairs could not be allowed to continue, and, whether by bringing men back from the army, by employment of untrained German labour, or by the use of prison or other foreign labour, production was, by the end of 1915, restored to within measurable distance of its former level. Probably all three methods of renewing the staff of workpeople were resorted to. In so far as untrained German labour was introduced, this must have had the effect of reducing the proportion of men of military age, as such labour has largely consisted of youths, old men and females. On the other hand, foreign labour would no doubt be almost exclusively of military age, and so its substitution for labour lost through enlistment would have little effect upon the age distribution of the men employed.

It may be inferred from the January returns that the proportion of British coal-miners aged 18-48 was about 65 per cent, and of iron and steel workers about 60 per cent. We think it wise to assume that substitution may have been carried further in Germany than here, and to estimate that of the 587,000 miners 300,000, and of the 300,000 iron and steel workers 150,000, are of military age.
In the Westphalian coal area the output in November 1914 had been maintained at 55 to 60 per cent. of its extent before the war by the policy of the military authorities in refraining from calling the Landsturm to the colours in colliery districts. A little later, in February 1915, the Frankfurter Zeitung, speaking of the mining industry as brought at that time into a serious position by the war, said that the number of men withdrawn for military service was estimated at 40 per cent. of the total employed, and the consequent decline in output at 50 per cent. As the output was not allowed to continue long at this level, the production for 1915 in the whole of Germany having been 77 per cent. of that for 1913, it may be assumed that, in one way or another, the shortage left by withdrawals for military service was reduced much below 40 per cent., and that the new-comers were not all men outside military age. The extent to which this shortage has been made good by the introduction of new adult male labour (over 16 years of age) may be determined from German official statistics, but not the proportion of these new men who are of military age.

From a table published in the Reichsanzeiger of the 20th April, 1917, we find that the total number of male coal-miners in Prussia in the first quarter of 1914 was 650,058, and if 40 per cent. of these had been mobilized by February 1915 the losses to the army then stood at 260,000. As men aged 18-48 formed about 82 per cent. of all working coal-miners in Germany at the census of 1907, the number of military age must have amounted in early 1914 to about 333,000, so that withdrawal of 260,000 to the army must have left some 273,000 men of military age still in the industry, or 42 per cent. of the original peace strength. The total number of males employed in the fourth quarter of 1915, to which the most recent returns refer, was 452,234, of whom the 273,000 men of military age left in the industry at the time of its greatest depletion would form 59 per cent. As boys under 16 at this time numbered 37,692, or 8 per cent. of the total male staff, the original staff over military age, together with newcomers, must have amounted to about 33 per cent. of the total. As the number of boys in early 1914 was 24,624, and of men of military age about 533,000, men over military age must at that time have numbered about 91,000, or 14 per cent. of the total males then employed, but 29 per cent. of the reduced 1915 total. Newly-engaged men must therefore have formed about 13 per cent. (33 minus 20) of the total males working at the end of 1916.

These facts may be summarized as follows, the figures representing proportions per cent. of the male staffs at the two periods:

<table>
<thead>
<tr>
<th></th>
<th>First Quarter, 1914.</th>
<th>Fourth Quarter, 1915.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men of military age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>mobilized by February</td>
<td>59</td>
<td>59</td>
</tr>
<tr>
<td>1915</td>
<td>40</td>
<td>20</td>
</tr>
<tr>
<td>Men of military age</td>
<td>42</td>
<td>13</td>
</tr>
<tr>
<td>not mobilized by</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>February 1915</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boys</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>100</td>
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</tr>
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</table>

On this basis the estimate that 300,000 out of the present 587,000 males in all the mines of Germany are of military age seems a very conservative one.

The number of foreigners employed in the mines and ironworks of Germany can only be guessed at. We think it likely that they may have been employed much more freely in the ironworks than in the mines, where the bulk of the work is of a nature demanding skill, and where an ignorant or hostile prisoner, not speaking the language, might well be a danger to the other workmen. For these reasons we deduct one-third from the ironworkers to allow for foreign labour, but only one-sixth from the miners, reducing the figures for Germans of military age by 50,000 in each case, to 250,000 and 100,000 respectively.

There is a certain amount of evidence that, although the use of prisoners in coal mines was commenced very early in the war, it has not been found possible subsequently to develop it to any great extent. The statement was made in the Neue Freie Presse of the 19th February, 1915, that the military authorities had placed 9,000 prisoners of war skilled in mining at the disposition of the Upper Silesian mining industry. In November 1915, on the other hand, we are told in the Berliner Borsen-Zeitung that prisoners of war had been introduced as far as possible into the Upper Silesian coal mines, but could not efficiently replace the skilled workers; and in the Reichsanzeiger.
of the 9th December, 1916, it was stated that as a consequence of larger numbers of
unskilled workers having been taken on there were more than 12,000 Russian Poles
employed in the coal mines of Upper Silesia alone. We know of no such explicit
statements regarding the prisoner labour in other coal-fields, and think it likely
therefore that this form of substitution has been carried further in Silesia than
elsewhere. As the Upper Silesian field employs just one-fifth of the total coal-miners
in Germany, the employment of 12,000 prisoners there may be taken to point to
a total of about 50,000 in the whole country.

It is true that the Reichsanzeiger statement is not inconsistent with the employ­
ment of non-Polish prisoners in addition to the 12,000, but as the statement is made by
way of explanation of a fall in output per worker owing to want of skill of the labour
employed, we think it unlikely that any further appreciable use of prisoners, none of
whom even if skilled could replace German workers man for man, would have remained
unmentioned. The same consideration will perhaps serve to explain the reference to
the 9,000 in February 1915 as skilled and to the 12,000 in December 1916 as unskilled
workers. In the first article the object apparently was to "write up" the use being
made of prisoners of war, so that the writer's bias would be towards emphasising any
skill possessed; whereas, in order to explain reduced output per worker, the second
article was obliged to emphasise the lack of skill of these substitutes. On the whole,
while recognising that the evidence is by no means decisive, we are disposed to think
that at both dates the total number of prisoner workers is quoted, that increase of this
number has been found difficult, and that the information as to the Upper Silesian
field may be taken to confirm the estimate of 50,000 foreigners in the mines of Germany
at which we had already arrived on general grounds. Further evidence of the limited
possibilities of employment of prisoners of war in mines has just come to hand in the
shape of a statement in the Berliner Tageblatt of the 10th May that the Rhenish-
Westphalian mines are to be provided as quickly as possible with 19,000 miners from
the army. This would not be done if prisoners could be used to obtain the increased
output required.

As to the estimates for both mining and iron and steel production we believe that,
whatever opinion may be held as to the allowance for foreign labour, our estimate of
total male labour of military age is a conservative one. At 50 to 55 per cent, of total
male labour, it is well below the standard so far attained in this country, and it is also
below the estimate in a memorandum on German man-power prepared in January 1917
for the Russian Ministry of Trade and Industry, that the proportion of insured male
workers of military age in Germany is now about 55 per cent. This estimate, derived from
certain sickness insurance statistics, is not indeed of great importance, but it is, of course,
to be expected that the proportion of men in the prime of life would be higher in the coal
and iron industries than in industry generally, to which the Russian figure applies.
Also we may refer to the exceptionally high proportion of labour of military age
remaining in the one industry for which statistics on this point are available—the
railways (page 10.)

MUNITIONS—(continued). 

We are now in a position to return to the consideration of the probable number
of German males of military age included amongst the total of 3,200,000 munition
workers deduced from the German statistics. Fairly definite statements recently
made by Dr. Helfferich as to the proportions of females now employed throw light upon
this matter. In the iron, steel, and other metal trades (exclusive of mining) he stated
that 19 per cent, of females were employed, as also in mechanical engineering, while in
electrical engineering the proportion was 55 per cent., and in the chemical trades
28 per cent. We have seen that in mining the proportion is only about 6 per cent.,
and we may perhaps put the iron and steel production proportion at the same figure,
both being industries little suited to women. We have estimated females engaged in
mining in Germany at the Prussian proportion of 6 per cent., or 625,000, and as males in iron and steel production have been taken at 300,000, females in this
industry, if 6 per cent. of the total, would number about 19,000. Hence, of the females
in the metal trades (group 1 of Appendix III, total workers, 3,415,000, less mining,
625,000), who at 19 per cent. of 2,790,000 would number about 539,000, 19,000 are not
munition workers, the remaining 520,000 being so classifiable. Women in the second
group, Appendix III, mechanical engineering, may be taken at 19 per cent. of 382,000,
or 110,000; in the third group, electrical engineering, at 55 per cent. of 391,000, or
215,000; and in fourth group, chemical industry, at 28 per cent. of 377,000, or 64,000.
Thus the total number of females at work in the munition trades comes out at 509,000, or
24-3 per cent. of the total of 8,740,000 workers in these trades. If the same pro-
portion holds good for the workers actually engaged on munitions production, whom we have taken at 3,200,000, the males among them should number about 2,422,000.

The proportion of males in the munition trades in Great Britain in January last who were of German military age is estimated to have been about 57 per cent., but in Germany it may well be lower, both on account of larger dilution with foreign labour and of the higher limit of military age. On the other hand, dilution with female labour appears to be less than in this country (24.3 per cent. for the munition trades as a whole, against 31.2 per cent. here and 23.3 per cent. in France), and the great bulk of necessary exemptions in these trades in this country are on account of the skill of the workmen, and not, as in mining and iron production, very largely on account of the laborious nature of the work, so that foreign labour could not be utilised to the same extent. As to this we may quote the following extract from an article contributed to the Berliner Tageblatt of the 15th June, 1916:

"Thousands and thousands of skilled Belgian and Polish workmen from the occupied territories have crowded into Dusseldorf and its neighbourhood; and in addition there are numbers of prisoners of war, who, however, are only utilisable for quite rough work."

On the whole, we think that reduction of the British proportion of men aged 18-48 to 50 per cent. of total males employed is reasonable in this case also, although the reduction involved by this figure is not so great as for miners and ironworkers. Total male workers being taken at 2,422,000, those of military age would on these lines number 1,211,000, or just a little less than the 1½ million deduced (see p. 5) from application to the estimated number of total workers of the British and French proportions of males of (French or German) military age employed.

This figure, however, includes men working for the navy, who have been excluded from the munitions groups in our calculations based on British and French experience. The number of such men at the present time is estimated by the Admiralty at 100,000, of whom it is thought 50,000 or rather less may be of military age. Deduction of naval labour therefore reduces the estimate to just over 1,150,000.

We have now obtained estimates by three different methods of the number of men of military age engaged upon munition production in Germany. These are—

On the British analogy ... ... 1,860,000, including foreigners.
French ... ... 1,200,000
German statistics, barely ... 1,150,000

It is to be remarked in regard to the third estimate, that it is fairly evident from the text accompanying the figures upon which it is based that the German Department of Labour Statistics desires to represent the state of employment in the various industries reported upon in as favourable a light as possible, and that there may, therefore, be some tendency to over-statement of numbers employed, which might be brought about, for instance, by bias in selection of the firms compared. On the whole, therefore, on consideration of the three estimates jointly, we are disposed to think that the number of male Germans aged 18-48 engaged upon the production of munitions may be approximately 1,000,000, or, including coal and iron production, taken as employing 350,000 more, 1,350,000.

RAILWAYS.

The exemptions in this group probably rank in importance second only to those of munition workers. Fortunately we have more definite statements from German official sources as to their number than in any other case.

The Prussian Minister of Railways stated in the Diet in March 1915 that out of some 600,000 men on the staff of the Prussian railways 80,000 to 90,000 had been called to the colours, partly for combatant duties and partly for railway service in the occupied territories. On the 24th October, 1916, it was stated in the Reichstag by the Under-Secretary of State in the Ministry of Public Works that 160,000 employees of the Prussian-Hessian State railways had been mobilized. Their places had only partly been filled up, amongst the substitutes being 45,000 women. It is to be noted that this figure relates to a date subsequent to the additional mobilization secured by Hindenburg in the late summer of 1916, and probably therefore represents approximately the state of affairs at the present time, for there is abundant evidence that the railways are now in no condition to stand further depletion of men. The demands upon them have been enormous, and although renewals of rolling-stock were even in 1916 in excess of peace standards, 2,000 heavy locomotives having been built in the first half of
1916, the State railways were, according to the Lokal-Anzeiger of the 26th November, 1916, in a very dangerous condition at that date, owing to lack of supplies and of workshop labour for repairs. In confirmation of this we have the facts that the Government has recently appropriated the enormous sum of 482,000,000 M., far in excess of any previous record, for railway purposes; and that the Prussian Minister of Railways has recently referred to the return of expert hands from the front to fill up the gaps in personnel, especially in the repairing workshops.

It is stated, in a recently published report on the Prussian State Railways for 1915, that the average number of employees during that year was 534,249, of whom 22,703 were women. These figures, it will be seen, are quite consistent with the Ministerial statements quoted above. The number of employees of these railways insured against infirmity on the 1st January, 1916, is stated to have been 449,440, and from a statement of the ages of these persons it may be calculated that 81-2 per cent. of them were between 18 and 48. We are without a statement of the total number of substitutes replacing the 150,000 mobilized last October; but as the 45,000 women in the service at that date would bring the numbers up to about 500,000, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as other substitutes are referred to, it may perhaps be assumed that the staff still remains much at its average figure for 1915, 534,249, and as o
the Board of Trade estimates of the state of employment in January, like the German census, distinguish only such transport workers as happen to be employed by transportation firms. The numbers of military age retained, however, are known to be very considerable, notwithstanding earnest attempts to cut down protection to the lowest limit admissible. Thus of 256,000 "public carriers," the largest group other than railwaymen in the Board of Trade figures, 37.1 per cent., or a little less than half the proportion of all road transport workers who were of German military age at the census, are returned as having joined the forces.

On the other hand, reservations of this type of labour, as of practically all others except for munitions and railways, are very small indeed in France. But we believe that the situation in Germany, which has to maintain her industry to the extent at least of being self-supporting and of providing on a moderate scale for the maintenance of the mark exchange by means of exports, must in regard to her requirements for transport resemble that of Great Britain rather than that of France, and on these general grounds we believe that transport workers must have been kept out of the army in considerable numbers, which we have no means of estimating, but which might easily amount to 200,000 or more.

We may refer here to inland navigation, a much more important branch of transport in Germany than in this country. Owing to the size of the barges, &c., employed in this service in Germany, men of both strength and experience must be essential for it. The German census states the numbers concerned (i.e., those employed by transportation firms only) at 53,000 men in 1907, of whom 40,000 were of military age, so the total numbers must be large. It is evident that water transport has been pushed as far as possible during the war to relieve the railways, and the number of men employed may well be as large or larger than in peace. Thus we are informed that the traffic on the Rhein-Herne canal, opened in 1914, has doubled expectations, and that the figures, which increased regularly month by month till July 1916, "increased afterwards by leaps and bounds, i.e., after the new Hindenburg levies had further depleted the railways of men, and the Roumanian campaign had increased munitions requirements. It is evident that if an industry is to be maintained in this fashion it must retain many men from military service. The workers in this, as in certain other forms of transport (trams and shipping), are exempted from the operation of the National Civilian Service Law, a fact which shows the view taken of the importance of the industry, but does not in itself prove that its men of military age have been spared, for the same applies to agriculture, in which there have been few exemptions.

We are informed by the Admiralty that a "considerable number" of naval reservists have been exempted for the shipping trade with Scandinavia and in the Baltic, but no doubt the chief demand for transport workers, other than railwaymen, is on the roads.

The cartage of heavy goods, such as is required especially in ports and manufacturing centres, demands both strength and skill, and it is not always possible to replace this labour by that of men 50 years of age and upwards, unacustomed to the type of goods handled, even though competent to manage horses. Such has been the experience in this country, and the difficulty must have been far greater in Germany owing to the higher limit of military age. Moreover, owing to the underfeeding both of men and horses (which were on a ration of 3 lbs. of oats per day last summer, since increased owing to its utter inadequacy to 4½ lbs.), the number of workers required must be much increased in proportion to the work done. Certain it is at all events that road transport had been reduced to a level by last winter below which it could scarcely be allowed to fall. Thus the Lokal-Anzeiger of the 19th January attributes the distressing lack of fuel in the towns to shortage of "railway trucks, coal-heavers, and horses for cartage," while in March the Vossische Zeitung stated that the price of a pair of good draught horses had gone up from about 3,000 M. before the war to 10,000 M. to 11,000 M. Wages of porters had more than doubled, and even so, the men could not do half the work they did under normal conditions. It does not seem likely that the army can obtain many more recruits from road transport.

In the tramway service there would appear to have been few exemptions granted, if the statement of the Vossische Zeitung of the 16th January, 1917, that the Berlin tramways had then only about 1,200 of their old staff (7,000 strong) left, is to be accepted. Women have been employed both as drivers and conductors, but are constantly leaving, the average stay being three months. As a consequence no doubt of this difficulty notices were sent by the company in February to the wives of their mobilized employees (to whom two-thirds wages are paid by the company) requiring women capable of work to report for duty, a policy endorsed by the War Department, but criticised as the first step towards industrial conscription for women by the Berliner Tageblatt, which reports it.
Shipbuilding.

We have already referred to the British Admiralty estimate that the number of men of military age employed in dockyards and elsewhere on the upkeep of the German navy is about 50,000. Apart from these men, we think that no exemptions for shipbuilding should be assumed, as the evidence regarding the extent to which mercantile shipbuilding is being carried on is most contradictory and confusing; and even if the accounts of large production be accepted, it is obvious that men so employed could at any time be diverted to military service without diminishing the power of the nation to hold on, and should therefore be regarded as forming a military reserve.

As to the contradictory nature of the evidence, it will suffice to quote two statements by Herr Ballin. In Mr. Max Muller's notes on the economic situation in Germany in October 1916, when detailed accounts of extensive mercantile shipbuilding programmes in hand were being circulated by the German newspapers, he is quoted as having stated in a recent interview that, as soon as the war began, work on all large liners was suspended, as all hands were required for navy work, and that all that was being done at the time was to make arrangements for a prompt resumption of work on the mercantile marine directly the war was over. On the other hand, in another interview in the Neue Freie Presse, quoted in the Daily Chronicle of the 5th April, 1917, he gave particulars of a very large shipbuilding programme actually in hand. This conflict of evidence will serve to illustrate the difficulty of the attempt to elucidate the German industrial situation from the information afforded to us by Germany.

Post Office.

The Kreuz-Zeitung of the 18th May, 1916, reported that in the course of the previous day's Reichstag debate it was stated by the Postmaster-General that of a total of 220,000 male officials in the service 97,000 were actually in the field. As men aged 18-50 formed 87 per cent. of total males in the service at the census of 1907, their number to correspond with the 220,000 total males would be 191,400. It seems probable that if only just over 50 per cent. of this number had been released by May 1916 the permanent retention of a considerable proportion would be necessary, even when dilution had been carried to its fullest extent. If we take that proportion at somewhere in the neighbourhood of 25 per cent., we arrive at a necessary reservation of over 50,000 men, for the staffs in Bavaria and Württemberg, which are outside the Imperial system, add about 10 per cent. to the 220,000 men noted.

Even though further limitations of the post and telegraph service have been introduced since May 1916, as described, for instance, from an official source, in the Vossische Zeitung of the 29th November, 1916, the above estimate appears very moderate in view of the French reservation in September 1916 of 29,200 men fit for service for postal and telegraph work, at a time when total reservations in France were on the scale indicated on page 2, and of the number reserved in this country, which is estimated to have been about 41,000 in January 1917. The number at German military age would of course be considerably greater.

New Processes.

Apart from the munitions industries, processes, either of an entirely novel nature, such as the production of artificial fodder from straw, for which special machinery is required, as well as from other novel materials, and of food substitutes generally; the extraction of fat from maize and other unaccustomed sources, and the preparation of textile fabrics from bulrushes, nettles, &c.; or not formerly operated in Germany on the scale now required, such as nitrate and saccharine production, bauxite mining (for aluminium, the ore having been previously imported from France), and oil extraction in the Roumanian oilfields, must in the aggregate require the reservation of an appreciable number of men. Men of the type required by the industry which has to be created or extended under the stress of blockade must in many cases be so few in number that any there are have to be kept back from the army. The production of machinery and plant for such new processes may also be a matter of importance. Whatever the demand for men under this head may be it is something additional to the demand in the countries with which Germany is at war.

Agriculture.

In all probability very few exemptions have been granted to agricultural workers. The Russian staff report already quoted makes this assertion emphatically, quoting in support of it actual instances of the drain on the population of agricultural districts from the Deutsche Tageszeitung of the 18th November, 1915; and Mr. Cunin, the special correspondent of the Times, is of the same opinion, as the result of investigations in the German rural districts (Times, 15th December, 1916). Moreover, all the
published information from German sources points in the same direction, as for instance Rutocki’s statement in the Reichstag on the 4th November, 1916, that agricultural enlistment had not gone so far in some hostile countries as in Germany, and the fact that the men who would naturally be taken last, the farmers themselves, are serving in very large numbers, their wives being left to carry on as best they may. Nevertheless, agriculture is such an important industry in Germany, employing as it does about one-quarter of all the occupied males (and fully half the occupied females), that it is desirable to consider its relationship to other occupational demands, and the prospect, if any, of necessity arising for the return of agricultural workers from the colours.

The loss of practically its whole male labour force of military age has been as far as possible made good to German agriculture from the following sources, but their combined effectiveness evidently leaves much to be desired:—

1. Prisoners of war.
2. Russian harvesters in the country at the outbreak of war.
3. Deported labour from the occupied territories.
4. Women and girls.
5. Boys.
6. Soldiers temporarily assigned to agricultural duty, particularly convalescents and men fit for garrison duty only.
7. The general public (obliged to work at harvest time).

1. Prisoners: Great use has been made of prisoners, probably all that can be made. In June 1916 the number at work on the land was estimated by Dr. Michaelis at 750,000 (Berliner Tageblatt, 21st June), and in February last it was stated in the Diet by the Russian Minister of Agriculture to be 758,000. Apparently both statements refer to Prussia only, and if so, as the number of prisoners in Germany, according to a statement published in Vienna in May 1917, was 1,690,731, over half the total seems to be employed in agriculture, and this number would appear to have been stationary for many months past, probably from the want of opportunity to increase it. It is, however, not certain that the statement quoted from Michaelis either applied to Prussia only or was correct when made—it was only put forward as a rough estimate—for the Russian staff report quotes a memorandum presented to the Reichstag in March 1916 as returning the prisoners of war employed on agriculture in Prussia at that date at 339,000. However this may be, their labour is relatively ineffective. A German employer, C. H. Ziese, quoted in the Russian staff report, states in a special article on prisoner of war labour that in the early days of the war five Russian prisoners did the work of three Germans, but now (September 1916) do the work of two only. That this low output is not always due to underfeeding would seem to follow from the dietary described by an escaped Canadian soldier, as quoted by Mr. Max Muller in his report for March. He said he was stuffed with food to enable him to work better.

2. Russian harvesters: These are believed to form a large body of men, but we have been unable to obtain any definite information as to their number, which is estimated by Curtin, on the strength of his personal investigations in rural Germany, at almost a million. We naturally hoped to get some information on this point from the Russian staff report, but were disappointed to find that it estimates the number of all enemy subjects interned in Germany at the commencement of the war from the numbers enumerated at the census, although this, taken in Germany on the 1st December, must naturally exclude foreign harvesters.

3. Deported labour from the occupied territories: The largest source of supply would naturally be the extensive agricultural districts in Poland and Western Russia now in German hands. But the authors of the Russian staff report consider that the limited number of men left in the country at the date of its occupation is required by the Germans for work on their own lands, so that few could be spared for German agriculture. This opinion is confirmed by the figures quoted for the Polish legions on page 2, and by a statement of the Polish Press Bureau, quoted in a Reuter despatch of the 12th June, that the Governor-General at Warsaw has suspended all recruiting for the Polish army owing to the scarcity of labour for the harvest. Presumably this difficulty applies to Serbia and Roumania also. The Belgian authorities believe that about 100,000 Belgian subjects have so far been deported, the majority of whom would probably be used for other than agricultural work. On the other hand the Prussian Minister of Agriculture, in an order to all Chambers of Agriculture, dated the 30th December, 1916, states that he has asked the War Department that so far as it is found possible to bring workers fit for field labour to Germany from the occupied territories they may be set to farm work. From this statement
t appears that further steps in this direction were in contemplation at the end of the year, and that some importance was attributed to this source of supply. It may be added that the French Government believe that the number of men obtained from the French occupied territories is small.

4. Women and Girls: These were already very largely employed in German agriculture in peace time (4½ million women to 5 million men at last census), and it is hard to say how far this employment has been extended. Where all the countrywomen available were already working such extension would involve migration of townswomen to the country, and the Russian staff report, on the strength of some very unsatisfactory sickness insurance figures, believes that this has occurred to a large extent. Dr. Helfferich's figures of the percentage of women employed in November 1916, already quoted on page 8 for metal industries, show that the proportion in agriculture has grown from 32 per cent. in July 1914 to 45 per cent., but this may be due either to increase in the number of women or decrease in that of men. Considerable pressure appears to have been exercised to induce women to take up farm work, if one may judge from a circular of the Prussian Minister of the Interior as to the arrangements for the harvest of 1916. An urgent appeal was made for help from unemployed women in rural districts, and special pressure was to be exercised in the case of women in receipt of family allowances by threat to reduce the allowance. The steps taken, however, do not appear to have had the full effect desired, for we are told that while the National Civilian Service Law has produced an overwhelming rush of women to particular occupations, there is in other occupations, and especially in agriculture, an appreciable shortage of labour. It may be noted, however, that the occupations to which the rush has occurred do not seem to include those concerned in munitions production, for the War Bureau of the Prussian Ministry of War is publishing a special appeal for women munition workers, in which it states that “a great increase of the number of women in munition factories is needed at present.” There is indeed, a good deal of evidence latterly that women workers generally are not forthcoming in the numbers desired.

5. Boys: Mr. Max Muller’s report for March mentions that great efforts are being made to enlist boy labour on lines not far removed from compulsion. Throughout the Rhenish provinces, for instance, companies under military discipline have been formed of boys from 14 to 17 years of age to work in the fields.

6. Soldiers: Soldiers have been temporarily assigned to agricultural duty, as in other belligerent countries, especially at seed time and harvest. “Agricultural aid columns” appear to have been formed this year of men fit only for garrison duty and of convalescent soldiers, but farmers have been warned that soldiers cannot be allowed to assist them to the same extent this year as last owing to military requirements.

7. The General Public: In some parts of Germany at all events compulsion has been applied to the public in general in order to secure their services at harvest, as shown by the following quotation from the Vossische Zeitung of the 19th October, 1916:

“The Commander of the XVIIth Army Corps District (Dantzig) has taken exemplary measures for assisting the lifting of the potato crop. He has issued orders that all persons in accordance with their station, their powers, and skill, are obliged, on request, and so far as their special circumstance permit, to give assistance in all agricultural operations in the area of their residence.”

It thus appears that the principle of industrial conscription was already in operation in Germany to some extent even before the passing of the National Civilian Service Law. The extent of its application was apparently at the discretion of the local military authorities, a demand for universal compulsory labour for agriculture made about this time in the Reichstag Budget Committee by the Centre party having been rejected.

There is abundant evidence from German sources that all these supplies of substitutes have by no means sufficed to make good to agriculture its loss of labour to the army, and we therefore cannot accept the opinion expressed in the Russian staff report that they have almost sufficed to fill up the gaps so caused. Discussions of harvest prospects in Germany commonly refer to lack of labour and fertilisers, sometimes with the addition of draught animals as well, as the great difficulties to be met. Confining ourselves to Ministerial utterances on this point, we may quote first the Prussian Minister of Agriculture, who stated about December last that mobilization for the army had then gone so far that it was no longer possible to find substitutes, and the situation was not likely to be improved by the new Auxiliary Service Law, as the provision that men were not to be compulsorily assigned to lower paid work must
make it impossible, as a rule, to transfer industrial workers to the land. Agriculture would therefore continue to be dependent upon men released from the army, prisoners of war, and women. In the Reichstag, on the 12th October, 1916, Herr von Batocki, President of the War Food Department, attributed the then existing shortage of potatoes partly to bad weather and partly to shortage of horses and men; and in December an article communicated by the War Food Department stated that, "not withstanding the shortage of workpeople and of horses, German agriculturists managed to cultivate a larger area of potatoes in 1916 than in 1915." Perhaps the strongest statement, however, is that of the Prussian Minister of Agriculture before the Budget Committee of the Diet on the 19th February, 1917, that agriculture was short of hands by hundreds of thousands, and that he had urgently requested the granting of leave to agricultural labourers, as the further release of mobilized men was necessary to make possible in adequate measure the spring sowing. In view of such a statement as this by the responsible Minister, and of the vital importance of agricultural production to Germany, it is very significant of the present position in regard to military reserves that farmers have, as already stated, been warned to look for less military assistance in this than in former years.

Finally, in an announcement in the *Vossische Zeitung* of the 2nd March, 1917, which has every appearance of being an official circular, we are told that the first dominating principle in the assignment of national service men will be that "agricultural work comes first," and only after it the provision of substitutes to set free men of military age for the front and as skilled workers.

The Government is in fact faced, as elsewhere, by two imperious demands for men, for the land and for the army, and it is probable that policy has varied somewhat from time to time as one or other demand temporarily gained the upper hand. Thus, although there is evidence that so recently as November 1916 agricultural labour was still being conscripted ("the number of farms that have lost their masters grows daily"—Batocki in the Reichstag on the 4th November), indications of the converse policy of recall from the colours began to appear about the beginning of the present year. The Order of the Prussian Minister of Agriculture of the 30th December, 1916, already quoted, states that the War Department has agreed that agricultural foremen, also engine attendants, metal-workers, blacksmiths, and wheelwrights, for whom no substitutes can be found, shall, so far as possible, be recalled from the front. In January the establishment, of a "war agricultural office" in each Prussian province was announced, amongst whose functions first place is given to the provision, and where necessary exemption from military service, of managers of estates and agricultural labourers.

The latest swing of the pendulum appears to have been in the opposite direction, as indicated by the circular warning farmers to count on less military labour in 1917, but it seems to us possible that the agricultural position may become so threatening that, in spite of all the efforts made to obtain labour from other sources, a significant number of men may have to be recalled from the colours for the purpose. The demand for labour is increased owing to the fact, of which there is abundant evidence, that owing to lack of fertilizers and draught animals—milch cows were being put to this use in March in some areas—and increase of weeds, production per worker must have fallen considerably. Up to the present, however, agricultural exemptions are probably not numerous.

Fishing.

It seems to us probable that, as is believed by the Admiralty and as Mr. Curtin suggests in his Times article, considerable numbers of fishermen have been exempted from naval or military service. The importance of the Baltic fisheries to Germany must be very great, and these cannot be carried on entirely by old men and boys. In a report published in the *Frankfurter Zeitung* of the 23rd August, 1916, the statement was made that "the forthcoming winter season for herrings, sprats, and mackerel is likely to produce the same brilliant results as last year's." The catch of herrings in August off the Mecklenburg and Pomeranian coasts was exceptionally large. This result could hardly have been attained without considerable reservations from military service. The *Lokal-Anzeiger* of the 17th December, 1916, published an article in which the shortage of fresh-water fish, a more important food in Germany than in this country, is attributed to mobilization of skilled workers at the outbreak of war, unskilled labour being of no value in the fishing industry. If this contention is correct, shortage of food may compel exemption of fresh-water fishermen also.
Professions.

There is probably an appreciable number of reservations to be allowed for under this head. The Russian Staff report, grouping the professions and administration together, estimates that of the half million men of military age in the group not more than 100,000-150,000 have been called up for service, decrease in the number of professional men having been accompanied by increase in that of officials. Little German information on the subject has come to our notice, but we are told that, in August 1915, 1,900 out of 3,000 members of the Berlin Architects' Association were taking part in the war. The demand for architects must have been reduced to a low level by that time, and the fact that mobilization had been carried so far as it had been at the end of the first year of war only one-third of the architects were serving suggests that professional men have not been severely dealt with. It seems also that the proportion of students for the professions who are serving is lower than in this country, as the Prussian Minister for Education is quoted in Vorwärts of the 31st January, 1917, as having stated in debate in the Diet that there were 6,968 native male students actually at the Prussian Universities out of a total of 28,000 native male students registered.

In the same debate the Minister of Education stated on the 29th January that 10,950 elementary school teachers had been killed in the war. If the reference is to Prussians only, as we should naturally assume to be the case, the proportion of teachers killed is extraordinarily high, for in the Berliner Tageblatt of the 12th July, 1916, the head of the Prussian Elementary Education Department is quoted as saying: "We reckon the number of professional teachers at the war at from 40,000 to 50,000, and the number of killed at 4,000." The killed can hardly have grown from 4,000 in July to 10,950 in January, so it may be that the latter figure refers to the German Empire. Even so, it would be a very high one, for if the number of Prussian teachers mobilized was 40,000 to 50,000 in July, the figure for the whole of Germany could not well have exceeded 75,000 at that date.

The total number of teachers called up down to the 15th May, 1915, was stated by the German Teachers' Union to have been 64,501, or 24.39 per cent, of the total in the Empire, which is thus fixed at 187,557. Of these it may be assumed that about 140,000 were of military age, as the proportion aged 18-48 at last census was 74 per cent. From these figures it appears that only a little over 50 per cent, of the teachers of military age have been called up, but that at least 15 per cent, of those called up have been killed. These numbers agree sufficiently well with the statement made by the Prussian Education Minister in the debate already referred to, that 8,000 out of 15,000 secondary school teachers had been called up for service, and that 1,295 of them, or 16.2 per cent, had been killed. Thus for the teaching profession we have direct evidence of the exemption of a large proportion of the men of military age.

The bearing of the proportion reported killed upon the question of total German casualties is obvious, as if it applied generally it would imply 1,500,000 to 2,000,000 killed in the German army during the first two and a half years of the war.

Administration.

The number of administrative officials acting under the Imperial State and local Governments must now be enormous. Not only are there war demands for increase in administration to be met of the same type as those which have absorbed so large a personnel in this country (as, for instance, under the National Civilian Service Law, priority arrangements for metal supplies and railway transport, foreign purchasing organization, pensions and separation allowance control, &c), but a very large number of organizations have been brought into being, largely as a result of the blockade, which are so far without analogues in this country. The Berliner Tageblatt of the 1st and 2nd March, 1917, gives a list of 242 "of the most important offices" thus set up for the control of foodstuffs, metals, textiles and textile materials, clothing, leather, tobacco, chemicals, wood, paper, &c, all but a few of which are unrepresented in this country. These central offices, nearly all in Berlin, work through local organizations partly consisting of their own employees and partly furnished by local bodies such as the communal unions, so that the total amount of labour involved centrally and peripherally must be enormous.

To give a few illustrations of the extent to which the control of the food supply has thus been carried, we may quote the "Egg Supply Board," the "Imperial Board for Legumes," the "Imperial Brandy Board," the "Cell Import Company," the "Board of Control for Marine Shell-fish," the "War Company for Sauerkraut," the "Peat-fibre
Committee," the "Nettle Cultivation Company," and the "War Committee for Fodder Substitutes," besides the more important offices, such as the "War Food Department," the "Central Purchasing Company," the "Imperial Corn Control Board," the "Imperial Fat Control Board," the "Imperial Clothing Board," the "Central Office for Supply of Coal and other Fuel," &c. The constitution of a number at least of these boards, e.g., Corn and Fat Control Boards, consists of an administrative section, which is a public authority, and of a business section, which is a limited company. Figures showing the staffs required by one or two of these offices have been published.

The Central Purchasing Company had in July 1916 an office staff of 2,300 male employees, 1,700 women typists, and 250 juvenile messengers. The male staff was evidently largely of military age, for we are told that all men employed had been classed as fit for garrison service or had been injured in the war. The Imperial Corn Office had a staff in December 1916 of 1,081 employees, and bought 4 million tons of corn a year through 800 purchasing agencies.

It will be seen that the total staffs, central and local, of these various boards and companies must amount in the aggregate to a very large figure. No doubt the lower posts would be held, as in the case of the Central Purchasing Company, by men of inferior military classification, but it has to be borne in mind that, since the account of its staff was written, the distinction between fitness for garrison duty and for service at the front has been in great measure abolished by revision of exemptions under a lowered standard. The brains and administrative and commercial experience required to run such organizations would be so difficult to obtain in the rapidly increasing numbers required that probably many men fully fit for military service have had to be kept back for the purpose.

Of course, much of this work replaces that normally carried on by the usual commercial agencies of wholesale and retail trade. This consideration, upon which stress is laid in the Russian staff report, should not, however, in our opinion, be taken as an offset to the requirements of the new organizations, for we doubt whether men of military age would have been left to any extent in shops and wholesale offices if business had continued to flow through the old channels.

In addition to these activities of the central and provincial Governments, greatly increased duties have been laid upon the municipal authorities. Some of these, such as the administration of the rationing system, the expropriation of dairy products by communal unions on behalf of the Imperial Fat Control Board, the requisitioning of articles of copper, bronze, and now aluminium, and the Government scrutiny of food stocks in the hands of farmers now being carried out by these unions, are of a type unrepresented in this country; while others, such as the distribution of separation allowances and of rent and coal grants to soldiers' wives, are undertaken here by other agencies, in part of a voluntary nature. The effect upon municipal staffs may be judged from the fact that in Neukolln, a suburb of Berlin with some 315,000 inhabitants, the increase since the war of municipal salaries has amounted to 1 million marks, this sum covers war bonuses to old employees as well as the salaries of new members of the staff. As the population of Neukolln is about one eighty-fifth of that of all German towns of over 15,000 inhabitants, the increase in municipal salaries in the larger towns, to which in the main no doubt the conditions of Neukolln apply, may amount to some 150,000,000 M., or 7,500,000 £., and the numbers of new officials therefore possibly to anything up to 50,000.

Another indication of the addition to municipal staffs entailed by war conditions, in this case by food rationing alone, is afforded by the statement that the staff required for the purposes in Munich is 700. Munich contains about one-fortieth of the population inhabiting towns of over 15,000 population in Germany, 26,675,000 in all in 1913, and the total number of new officials discharging this one duty alone may therefore be 25,000 in all the larger towns of Germany, a figure which agrees sufficiently well with the previous estimate of staff for all new duties on the basis of Neukolln's pay-sheet.

It would be difficult to say, on the strength of these figures, which apply to about two-fifths of the total German population, what numbers would be required for similar purposes outside the large towns. Although food rationing is much more developed in them than in the rural districts, there are other forms of communal activity applying particularly to the latter, such as the requisitioning of dairy products already referred to, as to which we are told (Vorwärts, 58th April, 1917) that there are over 18,000 butter-collecting offices in Germany, many of them collecting also milk and eggs. The frequent censuses carried out several times yearly of the numbers of animals and supplies of food in the country must also entail the employment of many officials in the rural districts. An unusually close scrutiny of the stocks of food held by farmers in
excess of their personal needs is now being carried out by order of the Government. With reference to this Die Konjunktur says that it involves the visiting of some 5,006,000 farms in 74,000 separate communes, and adds: "If we assume that for each commune an average of ten men will be needed—a very moderate estimate—we shall need some three-quarters of a million officials." It would seem that the creation of new local officials may have made even greater progress in the country districts than in the towns.

Certainly the supply must have shown signs of running short, for we find the requirements of communal authorities ranked along with those of traffic undertakings in the list of purposes to which the labour secured by the National Civilian Service Law is to be applied (Vossische Zeitung, 2nd March, 1917).

It would probably be futile to attempt to fix a figure for the number of men of military age now employed on administration, the old as well as the new, in Germany. The police force, for instance, normally employs a considerable number of men of military age, but we are without information as to the extent to which these have been mobilized. In view of the facts quoted as to new administrative activities alone, it is evident that the total number of reservations for the purposes of administration must be very large, probably running into hundreds of thousands in the aggregate.

Total Reservations.

As a result of the foregoing very incomplete survey of the civil demands upon German man-power, other than for the production of coal and iron and steel and munitions and railway transport, already rated at 1,850,000 in all, we think it reasonable to assess the total of such demands at not less than 3,000,000 men of military age, inclusive of any excess of non-mobilizable men of classes 1889-1918 over 500,000 (see page 3).

Casualties, Permanent and Floating.

No estimate of German casualties at the present stage of the war can be regarded as other than an approximation, containing very considerable possibilities of error. We find, however, as the result of approaching this matter from different points of view, that the various results obtained differ less among themselves than might, perhaps, have been expected; and we feel, therefore, that in fixing the totals at 3,800,000 permanent and 500,000 temporary casualties (men under treatment who will again become fit for military service), we are putting down figures which, while they may well differ from the actual totals by hundreds of thousands, can scarcely be in error by more than half a million.

Permanent Casualties.

The first of the four estimates compared may be described as that of the Director of Military Intelligence, as it has been prepared in his Department. Its methods, in common with any others applicable to the purpose, are no doubt open to criticism; but the results obtained so fairly represent the mean of those given by all the methods we have been able to employ that we have adopted them without modification for the purpose of fixing a definite figure for the table on page 22, although we should prefer our estimate of permanent casualties to be taken in a more general term, at from 3½ to 4 millions. Some of us would, in fact, place it nearer the former and others nearer the latter figure.

1. The Estimate of the Director of Military Intelligence.

The German permanent casualties up to the 31st January, 1916, were estimated in the last report of the Committee by accepting the total of dead, prisoners, and missing acknowledged in German official casualty lists, and applying British experience to calculate the number of men invalided from wounds and sickness, which the German lists do not report.

It was stated on page 10 of the previous report that, although the German official casualty lists published up to the beginning of the Verdun fighting in 1916 did not contain intrinsic evidence of falsification, the later lists showed signs of deliberate retardation and could not be accepted.

An examination of the German official casualty lists published since the date of the previous report confirms this view. There are so many signs of deliberate retardation that the Committee has decided that the totals acknowledged in the lists cannot be...
used as a basis for their estimate of permanent casualties. The German casualty lists have, however, provided the means of estimating the infantry casualties of divisions engaged in heavy fighting.

Up to the 6th December, 1916, the casualties were published by units, and it was possible, therefore, to follow the casualties acknowledged up to that date by every unit which fought in the battle of the Somme. It was found that those divisions which had not obviously failed to complete their returns by the 6th December showed a total of infantry casualties which, allowing for normal delays in publication, could be taken as 50 per cent. of strength for each period of engagement in the battle.

The total Somme casualties based on this percentage were estimated at 700,000, and it is of interest to note that the Germans substituted alphabetical lists for unit lists a few days after a similar estimate was published in the press by a military correspondent who appeared occasionally to have access to official figures.

The following method has been adopted in estimating the German casualties from the 1st February, 1916, to the 30th April, 1917:

1. Engaged in heavy fighting.
2. Engaged in normal trench warfare.
3. Resting.

The total casualties of units engaged in heavy fighting have been estimated by applying the Somme percentage, the permanent casualties (in accordance with British and French experience) being estimated at 40 per cent. of the total casualties.

The casualties of units engaged in normal trench warfare have been estimated by applying a percentage deduced from British experience.

The British rate of net infantry wastage in normal trench warfare has been calculated to be 6.15 per cent. per month. The figures obtained by applying this percentage have been reduced by 20 per cent. to allow for the more rapid expansion of the British army and for the greater liveliness of the British front.

No casualties for sickness have been allowed either for resting units or for troops on the lines of communication in Germany, as the numbers are too small to affect an estimate which cannot but be approximate.

The permanent casualties between the 1st February, 1916, and 30th April, 1917, estimated by the method outlined above, amount to 1,697,000. To these must be added the total of 2,102,000 estimated in the previous report for the first eighteen months' fighting, giving a total for the whole thirty-three months of approximately 3,800,000.

It is possible to check this estimate as follows:

If we take the total of newly-trained infantry required for each British battalion per month, and apply 80 per cent. of this total (see above) to the German battalions in the field up to the end of January 1916, and 90 per cent. to the total of German battalions in the field since the end of January 1916 (by which time the Germans were beginning to draw upon inferior material for their drafts), we obtain for permanent and floating casualties a total of 4,250,000, compared with our estimate of 4,300,000.

* Not only is there evidence of deliberate retardation in acknowledging casualties incurred in heavy fighting such as that in front of Verdun and on the Somme, in which the information concerning the engagement of the enemy's units is sufficiently exact to enable an accurate check to be applied, but an examination of the total casualties recorded by infantry regiments since the beginning of the war reveals many irreconcilable discrepancies, some of which were pointed out in the previous report, see, e.g., the last three paragraphs on page 8 of that report.

The differences between the casualties acknowledged by individual infantry regiments do not correspond with their fighting history. A regiment that acknowledged over 2,000 casualties for five weeks' fighting on the Somme records less than 1,720 casualties for the rest of the war. A regiment that fought at Verdun and then on the Somme acknowledges less than 6,000 casualties for the whole war, whereas another regiment that fought at Verdun as well as in the Eastern theatre acknowledges nearly 17,000 casualties. There are many similar discrepancies.

† It is sometimes urged that the fighting in the East has been much less severe than the fighting in the West. It was pointed out in the previous report that this does not agree with the recorded casualties during the first eleven months of the war, at the end of which time it was possible to compare casualties acknowledged by divisions that had fought solely on the Western or the Eastern front. Since that date there has been so much reorganisation and movement from one theatre to another that it is impossible to make a divisional comparison for the whole period of the war.

An examination of regimental totals, however, shows that the four active regiments which acknowledge the heaviest casualties have fought on the Eastern front during the greater part of the war, and four of the five reserve regiments which acknowledge the highest casualties have fought in the Eastern theatre or the Balkans during the whole of the war.
2. Numbers as deduced from the German Casualty Lists.

These lists, taken at their face value, may be shown to point to a permanent wastage of close on 3 millions. As there is every reason at the present time to refuse to take them at their face value, the increase from this figure to the 3½ million or 4 millions of our estimate seems reasonable, amounting as it does to an increase of not more than 25 per cent.

The dead, prisoners, and missing in the casualty lists published up to the 30th May aggregate 1,625,537. Owing to delay in publication, these lists may be taken as representing the German account of losses sustained up to the end of March, at which date the number of German prisoners taken by the Allies was about 330,000. Deducting this number we may say that the fatalities admitted by the Germans for the first thirty-two months of war numbered 1,295,000. It is necessary to arrive at the figure in this way in order to divide the missing into unreported dead and unreported prisoners. (We assume that deserters in the interior of Germany or across the frontiers of neutral countries are not included in the casualty lists.)

The number of deaths reported since the beginning of the war may thus be said to average 40,000 per month. Adding 40,000 for April, though this can scarcely be adequate in view of the heavy fighting in that month, we get 1,335,000 to the 30th April. The German casualty lists afford no information as to numbers of men permanently disabled by wounds or sickness, but in British experience the ratio of men permanently disabled for service at the front to total dead, including dead amongst the missing, is as 1:1. On this basis the total German permanent casualties to the 30th April, as deduced from the casualty lists, are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dead</td>
<td>1,335,000</td>
</tr>
<tr>
<td>Permanently unfit</td>
<td>1,335,000</td>
</tr>
<tr>
<td>Prisoners</td>
<td>350,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,050,000</strong></td>
</tr>
</tbody>
</table>

We think it proper, however, to assume that the proportion of men classified as unfit for service at the front to dead may be somewhat lower in the German army than in the British, especially as the French Staff Memorandum on German man-power of the 16th March, 1916, estimates the corresponding French proportion, on data which it admits to be imperfect, at 59 incapacitated to 100 dead.

It seems preferable, therefore, merely to say that from the German official lists themselves the permanent losses can be estimated at a figure approaching 3 millions. Our view of the character of these lists is such that we consider this deduction quite consistent with an estimate of 3½ to 4 millions as the actual figure.

3. Official Returns of Deaths from Violence in German Towns.

Another German official source of information regarding casualties is provided by the weekly publications of the Imperial Office of Public Health (Veröffentlichungen des Kaiserlichen Gesundheitsamts), which normally give, amongst other information, the number of deaths from violence every week in each town of over 15,000 population. The sum of these, as reported for 1913, was 17,927, and for 1915, 141,583.

The excess of 123,656 cannot well be explained otherwise than as representing deaths of wounded men in hospitals. Some of these would doubt be deaths of wounded prisoners, but, on the other hand, many wounded Germans must die outside the limits of the towns dealt with, which contain only about two-fifths of the total population, whether in other parts of Germany or in the occupied territories before they can be evacuated to Germany. Even bearing in mind, therefore, that the hospitals may be largely concentrated in the towns, the total numbers dying of wounds could scarcely be put, on the basis of these figures, at less than 200,000, and might be much more.

The British proportion of killed to died of wounds is roughly as 3 to 1, but there is good reason to believe that, in German practice, wounded men who die before reaching a hospital or dressing station, and who in the British returns are classed as killed, are reported as died of wounds. An examination of the German casualty lists, *

* The writer of an article in the Food Supplement to the War Office Daily Review of the Foreign Press attributes the excess mainly to "suicides, murders, and accidents of all kinds." This seems to be quite out of the question. The numbers returned are far too great to be seriously affected by murder or suicide. Suicides notably decreased in this country in 1915 and fatal accidents did not increase, so there is no reason to assume enormous increases under war conditions in Germany.

There is abundant evidence in the lists themselves that the deaths of men killed at the front are not included, e.g., a number of important towns show little or no increase in the deaths from violence reported over the year 1915.
in fact, suggests that in their case the proportion of killed to died of wounds should be more nearly as 2:1 than as 3:1. Assuming this proportion and taking the total number dying of wounds in 1915 at 200,000 or more, the killed, including died of wounds, in 1915 would come to 500,000 at least. The deaths, other than those from disease, acknowledged in the German casualty lists for 1915 amounted to about 450,000, so the difference is very considerable. If the total dead acknowledged in the lists up to the 31st May, 1917, were increased in like proportion, they would amount to about 1,780,000; and the total permanent casualties incurred up to the 30th April would come to nearly 4 millions.

There are peculiarities in these returns of deaths from violence which are difficult to explain, such as the absence of increase in certain towns, including particularly some of the largest, but otherwise following no apparent rule as to character or situation. It is evident, however, that the German Government considers that the information possesses significance for us, as it has suppressed it. We have not quoted the returns for 1916 because these were obviously falsified, the deaths from violence falling suddenly from 12,000 to 13,000 per month in the latter months of 1915 to 2,817 in January 1916. Later in the year they were for some reason allowed gradually to regain their old level, the number reported for August being 12,764, but at the beginning of 1917 the column for deaths from violence was cut out of the tables altogether.

4. Deaths of Teachers.

The last evidence we shall deal with is that derived from the figures as to elementary and secondary school teachers referred to on page 16. These show that out of a number of men sufficiently large to form a good sample the deaths have amounted to at least 15—16 per cent. of the number mobilized. As the total mobilized may be estimated at about 11,000,000 (Mr. Gerard, late United States Ambassador in Berlin, has been recently quoted as putting it at 12,000,000), the total dead, if this figure applied all round, would be about 1,700,000, and the permanent casualties therefore 314—4 millions.

FLOATING CASUALTIES.

The number of these has been estimated, as described on page 11 of our previous report, by the application of British experience to the German army strength. As, however, the methods adopted for estimating permanent casualties embrace all cases under treatment which are destined to become permanent casualties, in the sense of unfitness to return to the front line, such cases are here deducted from the estimated numbers under treatment or temporarily on light duty, &c. On the other hand, as the German numbers in the field have increased by about 25 per cent. since our previous estimate, the temporary casualties may be supposed to have increased correspondingly. Allowing for this increase, but making for permanent casualties under treatment a deduction at the British experience rate of about 30 per cent. of total sick and wounded treated, we reach the figure of 590,000 sick and wounded treated who will recover sufficiently to become fit again for the fighting line. It is by no means certain, however, that, especially under present circumstances, the period allowed for convalescence is as long in the German as in the British service, and we have therefore thought it wiser to reduce this figure to the round half million.

NUMBER OF MEN UNDER ARMS ON APRIL 30, 1917.

The number of divisions in the field is 232, together with four independent Landwehr brigades.

The number of infantry battalions in regiments in all theatres is 2,262. There are also 298 Landsturm infantry battalions, which, though they are not grouped in regiments, are known to be attached to infantry divisions or to be employed in sectors of the front line.

The strength of all infantry battalions, exclusive of machine-gun companies, is taken at 750 men, which is the establishment laid down for infantry and jäger battalions on the Western front in a secret memorandum, dated the 12th March, 1917, issued by the Prussian War Ministry, in agreement with the Bavarian, Saxon, and Wurttemberg War Ministries.

The number of men in Field Recruit Depots is calculated according to the establishment laid down in a similar memorandum dated the 7th February, 1917.

The number of men in other arms and in the administrative services, both in higher formations and on the lines of communication within the zone of the armies, as
well as the number of men in Germany, has been calculated by applying to every unit
the most recent documentary information concerning its establishment.

It is impossible to calculate the number of men in the field by multiplying the
number of infantry and cavalry divisions by their respective establishments. Such a
method would exclude not only corps troops, army troops, General Headquarters troops,
and lines of communication troops, but also a considerable number of units which, though
employed in the front line, are sector troops and do not move with divisions.

As regards the new divisions forming in Germany, a series of forty-two regiments
has been identified. Forty of these regiments, which were formed at the beginning of
1917, appear to have been grouped in ten divisions, each of four regiments.

As it is improbable that these divisions would take the field as four-regiment
divisions, it has been assumed, for the purpose of calculating their strength, that on the
30th April, the forty-two regiments represented ten divisions of three regiments each, and
twelve regiments that were possibly intended for garrison duty on neutral frontiers.

The following table summarizes the number of men under arms on the 30th April,
1917:

<table>
<thead>
<tr>
<th>In the field</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Infantry battalions, Jäger battalions, Landsturm battalions in the front line, machine-gun units, and dismounted cavalry</td>
<td>2,904,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other units in the zone of the armies</td>
<td>2,370,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Field recruit depots</td>
<td>224,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total in the field</strong></td>
<td><strong>4,388,000</strong></td>
<td><strong>4,998,000</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In Germany</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Under arms (excluding men in depots and new formations)</td>
<td>445,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In new formations</td>
<td>200,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In depots (excluding 1919 class*)</td>
<td>480,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total in Germany</strong></td>
<td><strong>1,255,000</strong></td>
<td><strong>1,255,000</strong></td>
<td><strong>1,255,000</strong></td>
<td><strong>1,255,000</strong></td>
<td><strong>1,255,000</strong></td>
</tr>
</tbody>
</table>

**Grand total under arms (excluding 1919 class*)** | **6,363,000** | **6,363,000** | **6,363,000** | **6,363,000** | **6,363,000** |

* Part of the 1919 class is already in the depots, June 19, 1917.

An independent estimate of the French General Staff gives a total of 6,315,000, an
excess of only 52,000. Of this excess, a total of 50,000 is due to a difference in the
estimate of the strength of the new divisions still in Germany.

GENERAL SURVEY OF RESOURCES.

We are now in a position to compare our estimates of the expenditure of German
resources in men with the numbers available for disposal. This is done in the following
table, from which it will be seen that the sum of the various estimates falls short of the
total at disposal by some 827,000 men:

<table>
<thead>
<tr>
<th>Tabular Summary of Conclusions as to German Personnel on April 30, 1917.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>German Males who attained the Ages 17–18 during the Year 1916.</strong> (Classes 1889–1919 inclusive.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under arms (army) classes 1889–1918 ... ... ... 6,253,000</td>
</tr>
<tr>
<td>(navy) ... ... ... 173,000</td>
</tr>
<tr>
<td>Class 1919 (available this year)* ... ... ... 500,000</td>
</tr>
<tr>
<td>Permanent casualties (army) ... ... ... 3,800,000</td>
</tr>
<tr>
<td>Other casualties, involving temporary incapacity (army) ... ... ... 390,000</td>
</tr>
<tr>
<td>Naval casualties ... ... ... 35,000</td>
</tr>
<tr>
<td>Mobilizable men necessarily retained in civil occupations ... ... ... 3,000,000</td>
</tr>
<tr>
<td>Men in class 1919 not mobilizable owing to immaturity ... ... ... 150,000</td>
</tr>
<tr>
<td>Physically unfit, apart from the above ... ... ... 500,000</td>
</tr>
<tr>
<td>Unaccounted for ... ... ... 627,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

| Classes 1889–1918 (see page 2) | ... ... ... 14,900,000 |
| Class 1919 (see page 2)* | ... ... ... 650,000 |
| **Total** | **15,550,000** |

* Part of the 1919 class was already under arms on the 30th April (see page 23). As the whole class
must be reckoned under the heading of available reserves, it is unnecessary for the purpose of our
calculation to distinguish between the proportion in the depots and the proportion not yet called up.
Comparing this with the similar table in our previous report, the chief difference, apart from the inclusion of two additional classes and from the increase by 1,000,000 of the estimate of total casualties, is the transfer of most of the men taken as necessarily retained in civil occupations from the class of physically unfit to that of physically fit for military service. It will be seen that this alteration, which has become necessary in view of what is now known as to French and surmised as to German practice in regard to the physical standard for military service, is one of nomenclature rather than of substance. The figures which matter, those expressing the total number of men not under any circumstances available for military service, have been reduced only from 4,000,000 to 3,500,000.

The balance of 627,000 may be accounted for by shortage in any or all of the other items of the table, except those referring to class 1919; or might conceivably represent a reserve of men not yet mobilized who can still be withdrawn from their present civil occupations. If it represents a shortage in the estimates, the items chiefly concerned, because the largest (apart from that for the forces under arms as to which information is much more definite), and at the same time the most doubtful, are permanent casualties and men necessarily retained in civil occupations, the figure for the latter being a minimum which may perhaps be largely exceeded in fact. In view of the importance of each of these heads and of the great liability to error of even the most careful estimates in regard to them, we do not think the fact that 627,000 men are left unaccounted for possesses any significance. The numerical value of each item in the table has been fixed without any reference to the joint capacity of the whole to account for the men available; and under these circumstances we are so far from considering that these 627,000 men must necessarily exist in the form of an uncalled reserve that, even apart from that possibility altogether, we should not have been surprised if the discrepancy had been greater.

At the same time the figures in the table are entirely consistent with the existence of a considerable uncalled reserve, which is, in our opinion, neither proved nor disproved by the table, or, as we have elsewhere described it, by the balance-sheet method of estimation which it epitomises. It is for this reason that, as stated in our opening paragraph, we prefer the method of directly estimating remaining German resources from such evidence of their extent as is available to inference from the inconclusive evidence of a balance-sheet, provided, of course, that the materials for such direct estimation are available.

It is of importance, therefore, to examine such evidence as we possess bearing directly upon the present extent of German unmobilized reserves. We have formed the opinion that the number of these is small, smaller probably than the 627,000 left unaccounted for by our balance-sheet. This opinion is based to a considerable extent upon the general impression that reserves of mobilizable men must now be very low, which has been left upon our minds by study of the evidence of Germany's economic position. Apart from this general impression, the following considerations may be adduced as evidence for our opinion:

1. The physically unfit are now being largely called up for service, even in the front line. We are informed by the Directorate of Military Intelligence that this fact has been clearly established both by the physique of a number of the prisoners recently taken, and by the evidence of previous rejections found in possession of some of them. No doubt other countries in the war have been forced to resort to similar methods, so far at least as auxiliary service is concerned, and particularly, as we have seen, France. But the extent of the effort made by France robs this argument of any point, for reserves of mobilizable men may be said no longer to exist in that country.

2. The class of 1919, lads attaining the age of 18 during the current year, was called up for training in April in at least five army corps districts and in most of the remainder during the following month; and class 1918, one year older, has been in the field from about the same time. It is most unlikely that these classes would have been called upon so early if there were any considerable number of other reserves available. Even in France, where the shortage of men is so great, the class of 1918 has only just (April and May) been called up, and the inference that the Germans have resorted with reluctance to this means of replenishing their ranks may be drawn from the ages at which preceding classes have been embodied since the commencement of the war:
<table>
<thead>
<tr>
<th>Class</th>
<th>Date of Mobilization</th>
<th>Average Age</th>
<th>Anticipation of Normal Date in Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>1914</td>
<td>October to December 1914</td>
<td>1914</td>
<td>20 4</td>
</tr>
<tr>
<td>1915</td>
<td>April to June 1915</td>
<td>1914</td>
<td>1911</td>
</tr>
<tr>
<td>1916</td>
<td>August to November 1915</td>
<td>1914</td>
<td>1912</td>
</tr>
<tr>
<td>1917</td>
<td>January to May 1916</td>
<td>1914</td>
<td>1915</td>
</tr>
<tr>
<td>1918</td>
<td>October 1916</td>
<td>1914</td>
<td>1913</td>
</tr>
<tr>
<td>1919</td>
<td>First men in April 1917</td>
<td>1914</td>
<td>1919</td>
</tr>
</tbody>
</table>

This table shows that in less than three years of war Germany has used the normal recruiting material of six years by progressive anticipation of the optimum age for embodiment. This resource may now be said to be exhausted, for the process cannot well be carried much further; and the practice of the earlier period of the war, when recruits were readily obtainable from other sources than the young classes, shows that it would not now have been carried so far as it has been except under stress of the necessity of getting recruits not obtainable at a less disadvantage. The use for actual fighting of immature boys must be wasteful, and we are informed that in the case of the 1918 class it has so far given very poor results.

3. The reduction of the establishment of infantry battalions from 1,000 to 750, already referred to on page 21, is taken as an indication of difficulty in obtaining new recruits to the extent required. It is known from a memorandum issued by the Prussian War Ministry on the 6th December, 1916, that this reduction has been effected in order to provide a reserve of trained men for the purpose of—

(a) Maintaining the depots;
(b) Continuing the series of new divisions which were being formed at that time.

It is unlikely that this reduction would have been made if the National Civilian Service Act had been expected to release a large number of men for the army.

4. Certain infantry regiments recently formed in Germany have now been disbanded. As already stated on page 22, some forty infantry regiments were raised at the beginning of 1917, with the object of forming a new series of divisions numbered 251 and upwards. None of these divisions has yet taken the field. In order to make good the wastage due to the heavy fighting in the Western theatre during April and May, the recruiting authorities have had to call upon at least eighteen of the new regiments to furnish drafts, and it seems probable that five of these new regiments have been disbanded.

The drafting is possibly due to the situation in the Eastern theatre, as a result of which the Germans may have decided to postpone the despatch of the new divisions to the front. The disbandment cannot be so explained. It seems probable that it is due to unforeseen difficulties in providing drafts which have to be found at the expense of the divisions of the new series.

5. We have already referred to the evidence that men have recently had to be released from the army for work in agriculture, coal-mining, munitions manufacture, and the railway workshops. The two latter cases are not, perhaps, of very great significance, as the men involved would probably be skilled workmen, and the need for such returns has had to be met by our own and other allied armies. General shortage of reserves is not necessarily implied by such returns to industry, but merely that an error has been made in withdrawing from certain essential industries more of certain types of skilled workers than they can spare.

The returns of men to agriculture, however, appear to us to be of greater significance. Agriculture employs about a quarter of the German population, and as it has been very heavily recruited, presumably over a quarter of the army has been drawn from this source. What has occurred may, we think, be taken as absolute proof that this important section of the recruiting field is completely exhausted, and the question being whether reversal of the recruiting process will not have to be carried further than it has been if the country is to continue to maintain itself. Probably if the Germans could effect further large captures of Russian troops their anxieties on that score would be at an end.

Perhaps, however, the strongest evidence of depletion of reserves afforded by the agricultural recruiting position is that, notwithstanding the great shortage of vital agricultural labour, further recruits were, until recently, being drawn from agriculture (see page 15). It may fairly be argued that in Germany's circumstances this would not have been done if the sources of supply generally had not fallen to a very low level.
6. We may here again refer to the fact, already mentioned on page 14, that farmers have been warned not to expect so much military assistance in getting in the crops this year as formerly. In view of the great need for all possible assistance of the kind, this indicates a change in the disposition of the troops serving, which has indeed been pointed out to us by the War Office. The proportion of reserves in training and of men on the lines of communication, from whom such agricultural assistance would be obtained, to troops at the front, is considerably lower than it was a year ago. This in itself points to depletion of the untrained reserve, as if it were not running short the fighting line would be maintained by fresh enlistments rather than by cutting down necessary services behind the front to the lowest possible limit.

7. Industrial compulsion for males in Germany was actually in practice introduced, under the National Civilian Service Law, at the beginning of April. This step does not appear to have been taken at all light-heartedly by the Government, for recent official references to the matter have shown a solicitude for the rights of individuals not characteristic of their source. The Government, in fact, appears to have been in some fear of its public. It delayed compulsion for several months after the law was passed, and showed anxiety to soothe the susceptibilities of the people in regard to it. None the less, it has had to take the step, and it is very significant of the depletion of the civilian reserves of men that in the allocation of the new labour so made available the provision of substitutes to release more recruits for the colours has to share second place along with the freeing of skilled workers, presumably for munitions, &c, first place being given to the requirements of agriculture (see page 15).

CONCLUSION.

Our general conclusion, then, is that, in addition to the 6,263,000 men under arms, of whom some 620,000 men are not yet in the field and are immediately available as reinforcements, Germany's reserves of military age consist of the 1919 and younger classes, and possibly a certain number of older men who are still in industry.

As regards the 1919 and younger classes, 500,000 men of the 1919 class may be taken to be in the field this year and a certain number of the remaining 150,000 men of that class will eventually become available. The younger classes are not expected to take the field at the rate of more than 150,000 men a year from 1918 onwards.

Different views may of course be taken as to what might be done if the military situation became desperate. It is conceivable, for instance, that, granted the accumulation of an adequate stock of munitions, a certain proportion of the skilled fit men now employed upon munitions manufacture might be trained and drafted into the army at the cost of a corresponding decrease in munitions production. A similar course might be taken if the military situation developed favourably for the Central Powers, and the intensity of the fighting on any particular front were to be seriously and permanently diminished.

We believe it may be taken for certain that, provided fighting continues on all fronts on the same scale as last year, no further recruits can be found for the army from the manufacture of munitions without sacrificing the essential supply.

The possibility of withdrawing more men from the manufacture of munitions is mentioned merely to illustrate the difficulty of fixing any absolute limit to the provision of recruits by further depletion of industry. As no other industry employing any considerable number of militarily fit men appears to be in any way more in a position to dispense with them, we believe that, subject to the reservation already made, for practical purposes the limit in question may be taken to have been closely approached, if not reached already.

NOTE.—As this report is going through the press the following extract from the “Berliner Tageblatt” of the 28th May has just come to hand:

The present situation thus presents the following characteristics: Increased demand, exhausted supplies and conditions of output, which tend more to decreasing than to expanding production. The authorities have realised that the dangers of the situation, which are more than mere transport difficulties, may lead to a production crisis of great magnitude. Hence immediate action has been taken to promote a greater output of coal. The army authorities have already set free 19,000 miners, and a similar number may be expected to be set free in the near future.

This, of course, greatly increases the significance of the reference to the same subject in the issue of the same journal for the 10th May, quoted on page 8, and referred to above.

June 19, 1917.
APPENDIX I.

Gun Ammunition as an Index of Total Munitions Production.

As the cost of gun ammunition (completed rounds) is in British experience about four-fifths of the total cost of army munitions, apart from clothing and other stores ordered by the Army Contracts Department of the War Office, and as much of the remaining munitions expenditure, as on means of transport, &c, must be closely related to the quantity of gun ammunition provided, this may be taken as a good index of total munitions activity. The advantage of doing so is that the quantities of gun ammunition provided by the chief Allied nations are readily obtainable, whereas a comparison of total munitions production presents many difficulties.

The quantities of ammunition produced by or for Great Britain, France, and Italy are set out in a comparative statement prepared by an international office in Paris charged with the task of collating information as to the munitions activities of the Allied countries. These returns classify gun ammunition under four categories, the first of which includes in our case field, mountain, and anti-aircraft guns, the second 4·5-inch howitzers and 60-pounder (5-inch) guns, the third 6-inch guns and howitzers, and the fourth 8-inch, 9·2-inch, 12-inch, and 15-inch howitzers, and 9·2 and 12-inch guns. The classification of French and Italian guns is similar, but no information is afforded as to the numbers of weapons of different calibres in the fourth category, the only distinction shown being that between guns and howitzers.

In order to reduce the cost, and therefore presumably the labour involved in the production of each class of ammunition to a common standard, the prices paid for high explosive shell (completed rounds) produced in England were ascertained for each calibre. The 6-inch shell was taken as a standard, as its diameter (152·5 mm.) closely corresponds with that of the corresponding French and Italian weapons (145–155 mm.). As its cost is given as £1·15·5, and that of a field gun round as £1·5, the average British daily production of the latter, 191,533 for the three months October–December 1916, was divided by three to reduce it to terms of 6-inch rounds. As the calibre of the British field gun, 8·8 mm., is appreciably in excess of that of the French and Italian 75 mm. it may be that the total production for these countries should be written down to a somewhat greater extent than the British to reduce it to 6-inch units, but in the absence of information as to comparative costs of production of French and Italian ammunition it is necessary to use the British figures, and so the units represented by the daily production of gun ammunition of the first category in France and Italy have also been determined by division of rounds produced by three.

For the third category no conversion is required, as the weapons represented are all approximately of the size taken as standard, but in the second and fourth categories weapons of different sizes, firing rounds of differing cost, and at diverse rates of expenditure, are included. In order to obtain an estimate of the average cost of a round in these two classes, it was necessary to take into account the number of weapons of each calibre, and their average rate of fire, as well as the cost of a completed round in each case. The necessary information was available only in the case of the British army, and it has been necessary, therefore, to assume that the average shell fired in categories 2 and 4 is of the same size in the case of the other armies as of the British.

The British averages were determined by multiplying the numbers of weapons in the field of each nature in categories 2 and 4 by the average weekly expenditure in rounds during 1916 to get the relative volume of fire from each class of howitzer and gun. These volumes of fire were then multiplied by the cost in pounds sterling of the high explosive round in each case and the products summed to obtain the total weekly cost, and this figure divided by the total number of rounds fired per week to obtain average cost per round in categories 2 and 4. These proved to be £3·85L in category 2 and 14·94L in category 4, so the total productions were multiplied by 57 in the one case, and by 2·21 in the other to reduce to terms comparable with the 6-inch round, costing £6·75·L.

Applying the same factors to French and Italian production, we obtain the following figures:
### Average Daily Production (completed rounds), October-December 1916.

<table>
<thead>
<tr>
<th>Category</th>
<th>Great Britain</th>
<th>France</th>
<th>Italy</th>
<th>Great Britain</th>
<th>France</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>151,583</td>
<td>212,506</td>
<td>68,573</td>
<td>50,511</td>
<td>70,835</td>
<td>20,838</td>
</tr>
<tr>
<td>2</td>
<td>48,847</td>
<td>24,678</td>
<td>2,890</td>
<td>24,708</td>
<td>14,059</td>
<td>1,847</td>
</tr>
<tr>
<td>3</td>
<td>10,638</td>
<td>90,403</td>
<td>4,719</td>
<td>16,238</td>
<td>80,403</td>
<td>4,719</td>
</tr>
<tr>
<td>4</td>
<td>10,079</td>
<td>3,984</td>
<td>772</td>
<td>22,275</td>
<td>8,805</td>
<td>1,706</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>221,192</strong></td>
<td><strong>271,543</strong></td>
<td><strong>70,954</strong></td>
<td><strong>113,727</strong></td>
<td><strong>124,093</strong></td>
<td><strong>28,930</strong></td>
</tr>
</tbody>
</table>

### Average Anticipated Daily Production (completed rounds), January-June 1917.

<table>
<thead>
<tr>
<th>Category</th>
<th>Great Britain</th>
<th>France</th>
<th>Italy</th>
<th>Great Britain</th>
<th>France</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>180,233</td>
<td>207,433</td>
<td>72,534</td>
<td>60,078</td>
<td>68,144</td>
<td>24,178</td>
</tr>
<tr>
<td>2</td>
<td>55,767</td>
<td>42,385</td>
<td>3,904</td>
<td>31,787</td>
<td>24,159</td>
<td>2,225</td>
</tr>
<tr>
<td>3</td>
<td>28,576</td>
<td>42,185</td>
<td>5,508</td>
<td>28,576</td>
<td>42,155</td>
<td>5,506</td>
</tr>
<tr>
<td>4</td>
<td>14,480</td>
<td>6,938</td>
<td>1,189</td>
<td>32,001</td>
<td>15,333</td>
<td>2,225</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>279,056</strong></td>
<td><strong>298,941</strong></td>
<td><strong>83,135</strong></td>
<td><strong>152,442</strong></td>
<td><strong>150,821</strong></td>
<td><strong>34,539</strong></td>
</tr>
</tbody>
</table>

As the unit adopted represents 675L, it may be convenient for some purposes to multiply by this factor, so ascertaining the price which the daily production of gun ammunition for the different countries would cost if made in Great Britain.

### Cost* of Gun Ammunition at British Prices.

<table>
<thead>
<tr>
<th>Category</th>
<th>Average for October-December 1916.</th>
<th>Anticipated Average for January-June 1917.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Daily</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td></td>
<td>767,657</td>
<td>837,628</td>
</tr>
<tr>
<td></td>
<td>194,778</td>
<td>102,884</td>
</tr>
<tr>
<td></td>
<td>1,028,984</td>
<td>375,579,000</td>
</tr>
<tr>
<td>Yearly</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td></td>
<td>280,196,000</td>
<td>206,734,000</td>
</tr>
<tr>
<td></td>
<td>71,094,000</td>
<td>375,579,000</td>
</tr>
</tbody>
</table>

Taking gun ammunition then as the test of munitions production, we may say that production on behalf of Great Britain and France is about equal, and for Italy between 20 and 25 per cent. of production for each of the other two countries.

### German Production.

For the purpose of estimating the supply of gun ammunition which Germany would think it necessary to provide for herself (apart from any supplies for allies), we are advised by the Military Intelligence Directorate that we should apply to the number of German guns now in the field the expenditure for corresponding sizes of British guns during 1916. This is done in the following table, from which it appears that the German daily production may be estimated at about 261,000 6-inch units, as against about 151,000 to 152,000 each for France and Great Britain.

---

* But see Appendix II.
GERMANY

<table>
<thead>
<tr>
<th>Number of Guns</th>
<th>Rounds per Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Gun</td>
<td>Total</td>
</tr>
<tr>
<td>----------------</td>
<td></td>
</tr>
<tr>
<td>77-mm. gun</td>
<td>6,200</td>
</tr>
<tr>
<td>20-mm. gun</td>
<td>460</td>
</tr>
<tr>
<td></td>
<td>179.4</td>
</tr>
<tr>
<td></td>
<td>1,112,280</td>
</tr>
<tr>
<td>105-mm. howitzer</td>
<td>3,200</td>
</tr>
<tr>
<td>100-mm. gun</td>
<td>460</td>
</tr>
<tr>
<td></td>
<td>142.7</td>
</tr>
<tr>
<td></td>
<td>449,370</td>
</tr>
<tr>
<td>120-mm. gun</td>
<td>320</td>
</tr>
<tr>
<td></td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>42,000</td>
</tr>
<tr>
<td>130-mm. gun</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>30,000</td>
</tr>
<tr>
<td>105-mm. howitzer</td>
<td>4,200</td>
</tr>
<tr>
<td>100-mm. gun</td>
<td>860</td>
</tr>
<tr>
<td></td>
<td>125.2</td>
</tr>
<tr>
<td></td>
<td>525,840</td>
</tr>
<tr>
<td>210-mm. gun</td>
<td>40</td>
</tr>
<tr>
<td>210-mm. howitzer and over</td>
<td>1,800</td>
</tr>
<tr>
<td></td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>220,000</td>
</tr>
<tr>
<td></td>
<td>262,800</td>
</tr>
<tr>
<td></td>
<td>2,557,390</td>
</tr>
</tbody>
</table>

EQUIVALENTS in 6-inch Units.

<table>
<thead>
<tr>
<th>Rounds per Day</th>
<th>Factor</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>188,540</td>
<td>0.3</td>
<td>56,180</td>
</tr>
<tr>
<td>82,481</td>
<td>0.57</td>
<td>47,014</td>
</tr>
<tr>
<td>78,206</td>
<td>1</td>
<td>78,206</td>
</tr>
<tr>
<td>36,114</td>
<td>2.21</td>
<td>79,812</td>
</tr>
</tbody>
</table>

APPENDIX II.

Proportion of Foreign Labour represented in Munitions Production for the British Empire and France.

For Great Britain this proportion can be approximately determined from the accounts of payments made. During the financial year 1916-17 these were, for munitions for British use, 248,000,000£ at home and 265,000,000£ abroad. It is estimated that the cost of ammunition from abroad was 20 per cent. in excess of home prices, so if we apply the same ratio to munitions generally, we may say that the value of imported material at British prices was 221,000,000£, so that of the total produced paid for during the year, 47 per cent. in value was imported. Evidently, therefore, the number of workers on munitions in this country forms only about 53 per cent. of the total number represented by the munitions produced for the land forces of the British Empire to which these figures apply.

While the calculation in Appendix I based on anticipated production for the first half of 1917 points to a yearly British expenditure on gun ammunition of 375,579,000£ (at British prices), the yearly expenditure, similarly calculated from the daily production of October to December 1916, being 230,200,000£, the actual expenditure as stated by the Ministry of Munitions exceed these figures by about one-third. Thus for October-December 1916 expenditures were 45,000,000£. American and Canadian, and 58,000,000£ British. Allowing for 20 per cent. excess of American and Canadian prices, the total expenditure for the three months at British prices was about 93,500,000£, or at the rate of 882,000,000£ per year. For January-March 1917 expenditures were 50,000,000£. American and Canadian, and 78,000,000£ British, the total equivalent at British prices being 120,000,000£ for the quarter, or 480,000,000£ a year, as against 375,590,000£ average of January–June as calculated. For the financial year 1917–18, the estimated expenditure is 590,000,000£, which, taking expenditure on gun ammunition as fourths of the total, implies a munitions expenditure of 625,000,000£, as against 386,400,000£ for 1916–17, of which 73,400,000£ was for allied nations. The difference from the 375,579,000£ calculated in Appendix I, would be very serious if expenditure were the subject of investigation, but as it is only used as a means of obtaining a simple

* See page 4 as to reason for including Canadian expenditure under this head.
measure of munitions production by reducing the different sizes of shell to a common
standard, the deficiency in expenditure calculated is of importance only if it applies to
one category of gun ammunition more than another; and of this there is no evidence.
Any such error even if present would, moreover, apply to all the countries compared,
including Germany, and if the relative importance of gun ammunition or any particular
variety thereof were a little under or over stated, that would matter only in so far as
the misstatement affected the countries concerned in unequal degree. Probably there­
fore the deficiency in expenditure as calculated in Appendix I from production is for
our purpose a matter of minor importance.

In order to arrive at the proportion of British munitions, steel excluded, produced
in this country, it is necessary to deduct the cost of steel represented in the 248,000,000£,
and 221,000,000£, quoted above as representing values at British prices of purchases in
1916-17. The cost of unworked steel included in these figures is stated to be
33,500,000£, for 2,100,000 tons of steel purchased at home, and 13,650,000£ for 650,000
tons purchased abroad. This steel was devoted to the manufacture of munitions in
Great Britain, and its cost, so far as it was purchased in this country, must be deducted
from the 248,000,000£. British expenditure, reducing that amount to 214,500,000£ as
representing British expenditure on munitions, less steel.

The total expenditure on imported munitions having been 265,000,000£, this amount
has first to be reduced by 13,650,000£, say 13,500,000£, for cost of unworked steel
imported. The remaining 251,500,000£ represents the total cost of foreign munitions,
including the value of the steel used in their production, and has to be reduced by
one-sixth (120 : 100) to allow for excess of cost, taken at 20 per cent. This reduction
brings the figure to 209,500,000£, which has to be further reduced to allow for value
of steel included. This we can only estimate on the British analogy.

The cost of the 650,000 tons of foreign steel used in British munitions, at the home
price of 16£ per ton, would be 10,500,000£, which, with the 33,500,000£, paid for British
steel, makes the cost of steel in British-produced munitions 44,000,000£. This sum of
10,500,000£ has also to be added to the total expenditure of 248,000,000£, for British
material, bringing it to 258,500,000£, of which 44,000,000£, or 17 per cent., represents
the cost of steel. Applying this ratio to the foreign purchases, valued at 209,500,000£,
their value at British prices, less 35,500,000£, cost of steel used in their production, comes
to 174,000,000£, as against the corresponding figure of 214,500,000£, for British products.

On these figures the cost at British prices of the total production, less steel, is
about 388,500,000£, of which just over 55 per cent, is for British material. But as
many munition components, such as empty shell cases, in which the full steel cost of
the finished article is represented, are imported, cost of steel being therefore probably
a larger item in the foreign than the British purchases, and so insufficiently allowed for
by the 17 per cent, taken above, and as the proportion of foreign to total expenditure
tends to decrease, it has been taken at 40 per cent, instead of 45 per cent., a figure which
is approved by the Ministry of Munitions as approximately representing the facts.

After June, when important shell contracts expire, it is anticipated that of a total
expenditure of 50,000,000£ per month, 32,500,000£ will be for home production, so
that, allowing for higher cost of foreign purchases, fully two-thirds of our total
munitions will be produced at home.

The stages by which the above estimate of 40-45 per cent, expenditure on munitions
produced abroad has been reached may be summarized as follows:—

<table>
<thead>
<tr>
<th>Purchases at home for British use</th>
<th>...</th>
<th>...</th>
<th>248,000,000£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deduct cost of steel produced at home</td>
<td>...</td>
<td>...</td>
<td>33,500,000£</td>
</tr>
<tr>
<td>Cost of British production, less steel</td>
<td>...</td>
<td>...</td>
<td>214,500,000£</td>
</tr>
</tbody>
</table>

Foreign purchases—

| Canada | ... | ... | 72,000,000£ |
| United States of America | ... | ... | 150,000,000£ |
| Elsewhere | ... | ... | 44,000,000£ |
| Total | ... | ... | 265,000,000£ |

Deduct unworked foreign steel used for British production 13,500,000£

Cost of foreign production, less unworked steel | ... | ... | 251,500,000£ |

Deduct one-sixth, extra cost of foreign material 42,000,000£

Value of foreign production, less unworked steel, at British prices 209,500,000£

Deduct value of steel in this figure, taken at 17 per cent, 35,000,000£

Value of foreign production, less steel, at British prices 174,000,000£
The figure of 17 per cent., taken as representing the proportion of French munitions, other than unworked steel, imported from abroad, is derived from the fact, of which we are informed by the French Ministry of Munitions, that of a total expenditure up to the 30th April of 15,255,000,000 fr., 2,610,000,000 fr. has been for imported products. The figure seems low in comparison with British yearly expenditure, but it is said to cover material of war properly so called, including artillery and small-arms and their ammunition, trench warfare material, gas apparatus and masks, railway material, motors, and so forth. For imported steel 1,558,000,000 fr. had been paid, and for home-produced steel 555,000,000 fr. Here, again, the figures appear very low in comparison with British yearly expenditure, which may be estimated as above at about 90,000,000, or 2,253,000,000 fr. at 27½ fr. to the pound sterling.

The discrepancy is, of course, in part due to the very small ratio borne by expenditure on munitions in the early period of the war to the present scale of expenditure in France, as well as in this country.

APPENDIX III.

Employment in the Munition Trades in Germany early in 1917 as estimated from German Statistics.

The journal of the German Department of Labour Statistics publishes monthly figures as to the numbers of workpeople employed by a large number of representative industrial firms. These returns are grouped according to industry, and enable comparison to be made with the numbers employed by the same firms one month and one year earlier, and so, assuming the adequacy of the selected firms as a sample of the whole, display the increase or decrease of employment in these industries. It thus becomes possible to compare the state of employment in June 1913 with June 1914, the last complete month of peace, and in June 1916 with June 1915, and so with June 1914, and then, carrying forward the comparison month by month, to bring it down to February 1917, the latest month for which the figures are available, and so to show how the numbers employed at that date compare with the figures for June 1914. The firms reporting are not in all cases the same throughout, but comparison is in each instance restricted to firms reporting for each of the periods compared. The total numbers of workpeople employed in each industry in June 1914 have been ascertained from the accident insurance statistics for about that date.

The characteristic munition industries are dealt with in the German statistics under the four heads of “mining, iron, steel, and other metal trades,” “mechanical engineering,” “electrical engineering,” and “chemical trades.” The last three all fall within our munitions group, but the first, a large and composite class, includes mining and iron and steel production, which we have reason to exclude from that group, as well as other industries falling within it. In order to arrive at an estimate for munitions production from these returns it is necessary to establish figures for employment in mining and in iron and steel production, which may be deduced from the total estimated for “mining, iron, steel, and other metal trades.” For this, as it happens, there is more material than in the case of most German industries. Miners in February 1917 being estimated, as described on page 6, at 625,000, and iron and steel production workers at 300,000, the sum of the four groups of industries enumerated above, less 925,000, gives a figure which may be taken to represent employment in the German munition industries last February.

In the first group, mining, iron and steel, &c., the number of workpeople employed before the war, as fixed by the accident insurance statistics for 1913, was 2,383,821, and by the method described above it is estimated that this group had increased by 43 27 per cent. in February 1917, the estimated total at that date being 3,415,000, of whom all but 925,000, or 2,490,000, are munition workers. For the second group, mechanical engineering, there is an estimated increase of 31 53 per cent., with a February total of 582,000; for the third group, electrical engineering, there is an increase of 6 29 per cent., total 391,000; and for the fourth group, chemical industries, there is an estimated decrease of 1 50 per cent., total 277,000, the grand total for the whole group of the workers in munition trades thus arrived at for February 1917 being 3,740,000.
Part II.—AUSTRIA-HUNGARY.

Report Revised to June 1, 1917.

MALES OF MILITARY AGE IN AUSTRIA-HUNGARY.

The classes serving at the present time are those born in the years 1867-1899, i.e., men aged 17-50. The census date being the 31st December, it is convenient to calculate the probable number of men of corresponding ages, 17-50, at the end of 1916. The number at these ages, corrected by deduction of foreigners resident in Austria, and by addition of 266,487 Austro-Hungarians estimated to have been resident in Germany at the commencement of the war, was taken in our previous report at 11,681,888 for the 31st December, 1915. This is the number which would have resulted from a continuation to that date of the rate of increase during the period 1900-1910. On this assumption the further increase during the year 1916 would have been about 74,000, bringing the estimate for the end of 1916 up to 11,756,000, the numbers at the various age groups being as follows:

<table>
<thead>
<tr>
<th>Date of Birth</th>
<th>Class</th>
<th>Age on Dec. 31, 1916</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1899-1895</td>
<td>1519</td>
<td>17-20</td>
<td>523,300</td>
</tr>
<tr>
<td>1898-94</td>
<td>1918</td>
<td>21-30</td>
<td>504,200</td>
</tr>
<tr>
<td>1897-93</td>
<td>1917</td>
<td>31-40</td>
<td>478,000</td>
</tr>
<tr>
<td>1896-92</td>
<td>1916</td>
<td>41-50</td>
<td>1,988,800</td>
</tr>
<tr>
<td>1891-87</td>
<td>1911</td>
<td>51-60</td>
<td>1,746,300</td>
</tr>
<tr>
<td>1890-86</td>
<td>1906</td>
<td>61-70</td>
<td>1,574,300</td>
</tr>
<tr>
<td>1889-85</td>
<td>1901</td>
<td>71-80</td>
<td>1,448,800</td>
</tr>
<tr>
<td>1888-84</td>
<td>1896</td>
<td>81-90</td>
<td>1,312,200</td>
</tr>
</tbody>
</table>

It will be noted that men in their 51st year of age on the 31st December—those born in the year 1866—are not included in the above total. There are, however, a certain number of men of this age and one year older serving, though the classes as a whole are not. This point will be referred to later.

Calculation on the basis of a continuance of the previous intercensal rate of increase is not a wholly satisfactory means of estimating what the population would have amounted to on the 31st December, 1916, under peace conditions, but is probably the best method available. It involves two tacit assumptions: (1) that the combined effect of birth and death rates upon the population under consideration has remained the same as in 1900-10; and (2) that the average rate of net emigration has remained as in 1900-10, or, if not, that any change in (1) has been neutralised by converse change in (2). These assumptions are almost certainly untrue. The death rates to be considered under (1) are those of the years 1911 onwards, and these have up till the commencement of the war been lower than those of 1900-10. The birth rates, on the other hand, affecting such a population are those of approximately the latter half of the nineteenth century, or, more exactly, 1860 to 1899 as compared with 1850 to 1880, and for these two periods the Austro-Hungarian birth rate was much the same. It is probable therefore that the true rate of increase should be taken on this account at a little above that of 1900-10.

The net emigration to be considered under (2) was slightly greater during the years 1911 onwards to the outbreak of war than in 1900-10, but since August 1914
it has of course ceased, so that from this cause also there is probably some underestimation in our figures.* They have, moreover, to be increased, as in the case of Germany, to allow for men assumed to have died under peace conditions before the end of 1916, but who lived long enough to join the Army and die as soldiers. The number of such men was taken in the case of Germany at 100,000, and so cannot be taken at less than 60,000 for Austria-Hungary. Adding this number to the 11,756,000 available population, and making allowance for the considerations discussed under (1) and (2) above, the total population from which soldiers aged 17-50 could be drawn may be put at 12,000,000.

In endeavouring to estimate the reserves available for the Army from this number of men we feel that even more than in the case of Germany reliance must be placed upon evidence bearing directly upon their actual number rather than upon estimates of Army strength, casualties sustained, and numbers necessarily retained in civil life by deduction of which from the total man-power a figure for reserves still available might be arrived at. The reason for this is two-fold: first, that the direct evidence of approaching exhaustion of reserves is even more marked than in the case of Germany and, secondly, that the materials for estimating two out of the three main forms of expenditure of resources in men, namely, casualties and necessary reservations, inadequate for Germany, are much more so in the case of Austria. These three channels of expenditure may now be considered.

**NUMBER OF MEN UNDER ARMS ON JUNE 1, 1917.**

The forces in the field at the time of our previous report were estimated by the Director of Military Intelligence to have numbered 2,250,000, whereas his estimate for the beginning of June last amounts to only 1,872,000, a decrease of 378,000. The number of divisions and of infantry battalions is indeed known to have slightly increased, the former from 79 to 80 and the latter from 907 to 1,003, but there is good evidence that the average strength per battalion has decreased during the past year. Thus the average of forty-eight company strengths reported by prisoners during May and June was only 161, and no instances of the full strength of 250 were recorded. Moreover, a Russian General Staff report, dated the 19th February, 1917, states that "the official strength of the companies of active regiments has been reduced to 160-180 men." This evidence has recently been reinforced by an Italian capture of a document giving the establishments of the 1st, 2nd, and 3rd battalions of the 2nd Regiment of the 16th Division. These amount to 741, 731, and 730 officers and men respectively.

In view of this evidence, the War Office reduction of estimated average battalion strength from 900 in 1916 to 760 in 1917 appears by no means excessive. The estimate of the total strength of active infantry in the field is accordingly 752,250, a reduction of 145,050 from the previous estimate.

In addition to this reduction in infantry there is evidence from officer prisoners' statements that there has been considerable reduction in the strength of "march" battalions among the extra-divisional troops. These "march" battalions correspond to the German field recruit depots from which drafts are made to the regiments in the field, and the estimated reduction is put at 80,000, or about 25 per cent, of the previous strength.

The remaining estimated reduction of 152,950 is less clearly substantiated than the 258,000 for divisional infantry and "march" battalions, and cannot be accepted with the same confidence, owing to the absence of direct evidence in its support. It is considered, however, by the Director of Military Intelligence that the facts in his possession—particularly the absence of increase of the number of divisions by the methods used for this purpose in the German army, and the necessity, under the circumstances of Austrian campaigning, of maintaining the proportionate strength of the infantry in the Austrian army—point to a decrease in the strength of other arms more or less in proportion to that ascertained to have occurred in the infantry. We see no reason to differ from this opinion, and therefore accept the estimate of the Director of Military Intelligence that the total man-power of Austria-Hungary at the beginning of June 1917 was 12,000,000.

*The returns published by the Board of Trade of Austria-Hungary entering the various countries of immigration, which are not quite complete, but are probably more reliable than the Austrian figures of emigration total 2,248,220 for the years 1901-10, and 999,515 for the years 1911-14, or very nearly a quarter of a million per annum in each case. When such corrections as the figures supplied suggest have been made, it may be said that for the years 1901-10 emigrants from Austria-Hungary averaged 242,000 per annum, and for the six years 1911-16 170,000, the reduction in the average for the latter period being due to the war.*
Military Intelligence, recognising however, as he himself does, that it may be appreciably in error. On the other hand, we do not consider that this margin of error is sufficiently large to affect our calculations very seriously, for, compared with the uncertainty which exists as to casualties and as to the numbers of men retained as indispensable for industry, the estimate of army strength may be regarded as a close one.

Men on the lines of communication, in the absence of information on this point, are estimated at the same figure as in 1916, viz., 550,000, notwithstanding the reduction in the German numbers so assigned from 1,900,000 in 1916 to 645,000 this year, but the numbers in training now are taken at 515,000 as against 600,000 a year ago. This number includes the first master of the class of 1913, called to the colours in February last, and assessed at 400,000, and the products of various revisions of older classes, including the fourth revision of all classes from 1893 to 1913, the yield of which has been put at 29,000. It is not an unnatural assumption that the productiveness of the successive revisions has progressively diminished, but circumstances can be imagined under which this might not be so, as, for instance, a sudden reduction in the physical standard of recruiting, or the introduction of administrative machinery effective for the release for military service of men previously treated as indispensable in their civil occupations. Although we are aware of no such evidence in the case of Austria, we can only regard the yields estimated for these various revisions as very doubtful quantities.

CASUALTIES, PERMANENT AND FLOATING.

Permanent casualties during the first twenty-two months of the war, up to the 31st May, 1916, were estimated in our previous report to have averaged 80,000 per month, apart from prisoners of war, of whom about 1,100,000 were held by the Allies at that date. The total, apart from prisoners, was therefore 1,790,000, or, including prisoners, 2,860,000. The rate of loss continued very heavy till the Russian offensive of 1916 came to an end about the end of September, so for the four months June-September 1916 it is estimated by the Director of Military Intelligence that the previously assumed rate of permanent wastage, 80,000 per month, apart from prisoners, may be taken to apply, bringing the total for the twenty-six months to the end of September to 2,080,000. For the eight months from that date up to the end of May 1917 Austrian losses were relatively slight. In consideration of the character of the fighting, mainly trench warfare, and some of that of a very inactive type, the permanent wastage for this period, apart from prisoners, is assessed by the Director of Military Intelligence at 225,000, bringing the total, exclusive of prisoners, to 2,305,000, or, in round numbers, 2,300,000. To these losses must be added the number of prisoners in the hands of the Allies at the end of May, some 1,800,000 men, including those taken by the Italians in their May offensive. The total estimate of permanent casualties to the end of May thus comes to 4,100,000.

Temporary wastage is estimated, as in our previous report, at 400,000. This figure includes the total number of men absent from their units through wounds or sickness, and so does not correspond with the estimate of 500,000 for Germany, which excludes all men under treatment who will not recover to fitness for the fighting line.

MEN REMAINING IN INDUSTRY.

Doubtful as our estimate under this head for Germany proved to be, the difficulty of framing such an estimate for Austria-Hungary is vastly greater. In fact, a careful survey of the material at our disposal has convinced us of the impossibility of basing such an estimate upon Austrian evidence as to the industrial and administrative needs of the Dual Empire. In these circumstances it is obviously impossible to estimate reserves by collocation of military expenditure of man-power with its essential reservation for civil duties. All that can be done is to show, in the light of the estimate of such military expenditure already arrived at, what the balance, either for military service, indispensable in civil life, or still available as reserves, amounts to. This balance can then be criticised in the light of such direct knowledge of depletion of reserves as we possess independently of calculations founded upon total man-power.
GENERAL SURVEY OF RESOURCES.

The 12,000,000 men of military age taken as originally available are estimated to be made up as follows:—

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forces in the field</td>
<td>1,872,000</td>
</tr>
<tr>
<td>Lines of communication</td>
<td>250,000</td>
</tr>
<tr>
<td>In training</td>
<td>615,000</td>
</tr>
<tr>
<td>Navy and naval reserves</td>
<td>50,000</td>
</tr>
<tr>
<td>Prisoners of war</td>
<td>1,800,000</td>
</tr>
<tr>
<td>Other permanent casualties</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Temporary casualties</td>
<td>400,000</td>
</tr>
<tr>
<td>Remaining in civil life (unfit, indispensable, or available as reserves)</td>
<td>4,513,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,000,000</strong></td>
</tr>
</tbody>
</table>

The last item is understated to an indeterminable but slight extent, because a few of the men serving in the army are not included in the total of 12,000,000, which includes only men born during the years 1867 to 1899. Men born in the years 1865 and 1866, who were of course under 50 years of age at the commencement of the war, have served with the army till recently, but an Imperial decree of the 21st May, 1917, ordered the release from service by the 30th June of all such men with the exception of those voluntarily enlisted, and of officers and officials on the retired and reserve lists. If this decree has been fully carried out, the correction remaining to be made on account of these two classes is probably quite insignificant.

In the case of Germany the proportion of men now exempted as physically unfit for service was assessed, on the analogy of France, at only 5 per cent. If this proportion is taken to hold good also for Austria-Hungary, the number so exempted there should be about 600,000, which might be raised to 700,000 by allowance for immaturity in the youngest classes. Deduction of this number brings our figure for men capable of military service, but still remaining in civil life, to 3,813,000. This number appears to us so high, in view of the evidence, discussed later, pointing towards exhaustion of reserves, that we look upon it with some suspicion.

In the case of Germany, our estimate for what it is worth of necessary reservations was 3,000,000, but addition of this figure to estimated military expenditure of men showed a deficit of 627,000 as compared with the total to be accounted for. This deficit may be due to underestimation of the number of "indispensable" men, which may therefore be taken as estimated for Germany at 3,000,000 to 3,600,000.

In our previous Report we discussed the difficulty which arose from the apparently large number of men of military age retained in civil life in Austria-Hungary as compared with the figure arrived at in our estimates (admittedly speculative, as they doubtless are) of similar reservations in Germany; and we felt that the discrepancy for which we were unable to account to our satisfaction threw grave doubts upon more than one item in our balance-sheet, in view of what even then we described as the known shortage of mobilisable men in Austria-Hungary. We thought that the much smaller number of prisoners of war in the Austrian Empire as compared with those in Germany might have been a reason for the retention of more native-born men in the former Empire for industrial and agricultural purposes; and we suggested that owing to the disaffection of some large sections of the population the proportion of unmobilisable men might have been higher than in either Germany or France. Two gentlemen well acquainted with conditions in the Austrian Empire (Mr. Crosby, late First Secretary at the American Embassy, Vienna, and Dr. Seton Watson) have kindly allowed us to question them on this and other points, and have expressed the opinion that the recruiting of men in the disaffected portion of the Empire had probably been stricter and more effective than in the loyal provinces. Moreover, the Vienna statement of prisoners of war in the hands of the Central Powers in May 1917, referred to in our report on Germany, gives 1,092,055 to Austria-Hungary as against 1,690,731 to Germany, the German excess of prisoners being about 55 per cent, as against about 35 per cent, excess in population. The difference is, therefore, not very striking, but it may well be that Germany has been able also to make more use of deported civilians and other foreign labour.

The result of our endeavours to trace the disposal of the men of military age in Austria-Hungary by way of a balance-sheet is therefore fully as unsatisfactory as on the last occasion, and for the reasons given in a preceding paragraph we feel it necessary to discard to a large extent the calculations on which it is based, and to rely on the direct evidence of decreasing man-power, which is, as we have said, more
marked than in the case of Germany, and certainly more marked than at the date of
our previous Report.

This evidence may be stated to consist in the reduction of army strength at a
time when the strength of the German army has been increased, and notwithstanding
strenuous efforts to obtain more men. The reduction in army strength may be a little
less or a little greater than the estimate provided for us by the Director of Military
Intelligence, but of its reality there can be little doubt. While the number of
battalions has remained practically stationary their strength has been reduced by
about one-sixth, and the "march" battalions, which form their field reserve, have also
been reduced in number and in strength. If it had been at all possible we
cannot doubt that the increase of establishment and strength of the German army
effected during the past year would have been accompanied by a similar increase in
that of Austria-Hungary.

While reduction of numbers under such circumstances must be held to indicate
inability to maintain them, the cause of this inability is shown to be lack of human
material by the extraordinary efforts to raise men which have been made, and
notwithstanding which the reduction has occurred. The age of service has been more
widely extended in Austria at both its limits than in any other of the principal
countries engaged in the war. The upper limit of age is 50, as against 48 in Germany,
and men of 50-52 are not wholly exempt. At the other end of the scale the class of
1919 was called up in February last, when its average age was just over 17½, while in
Germany its enrolment only commenced in April, the date at which the class of 1918,
one year older, was called up in France. A country which possessed reserves of men
available for service would hardly call like this upon its boys, whose employment must
be attended by many disadvantages.

Another piece of evidence pointing strongly in the same direction is furnished by
the number of "revisions" to which older classes have been subjected. When the
classes 1915 to 1893 had been revised for the third time in February of this year it
was supposed by military critics that their capacity for furnishing recruits was
probably exhausted. This "combing," however, was quickly followed by a fourth in
June for all classes from 1913 to 1893 inclusive. There can be no certainty, of course,
that even this represents the final squeeze by which it may be sought to obtain
recruits of these ages, but we think the inference a fair one that after a second, third,
and fourth revision in November (1916), February, and June little available material
can remain. At the least these repeated revisions, together with the extensive
employment of lads and elderly men, must represent a great recruiting effort, and as,
in spite of such an effort, the numbers in the field have declined, the evidence pointing
towards depletion of reserves appears to us to be very strong.

We consider this evidence much stronger and more definite than that by which
the figure of 4,513,000 men of 18-50 remaining in civil life has been arrived at (p. 4).
Either some of the other figures on which it depends are seriously in error or the
circumstances in Austria-Hungary are such as to require the retention in civil life of
a much larger proportion of men than in Germany or France. The former seems
the more likely alternative, though both factors may of course operate simultaneously,
but whatever the cause may be, we believe that in the obscure Austrian situation the
two most definite facts are that the army strength is now rather under than over
2,000,000 (excluding recruits in training), and that the Government is no longer in
a position to increase, and hardly even to maintain it, even in the absence of any
extraordinary losses such as were suffered in the summer of 1916.

August 22, 1917.

[718—1]
Part III.—TURKEY.


IN the following report, the method of estimating remaining resources in personnel by estimation of original man-power and deduction of estimated wastage has been abandoned, for reasons which will be stated later on, in favour of the alternative principle of deducing these resources from our knowledge of the numbers and categories of men serving in the field and training in the depôts, and from an estimate of the enemy's remaining power to add to them. As the war proceeds, and as evidence accumulates of the actual depletion of the enemy's reserves of man-power, it is obvious that addition of such remaining reserves to numbers in the field will tend more and more in all cases to give a truer picture of remaining strength than estimates of population originally mobilizable, and of wastage, both of which may be seriously in error. In any case, the first point requiring consideration is the strength of the army in the field.

Since the time when our former report on Turkish personnel (dated the 28th July, 1916), was prepared, evidence has accumulated indicating that a great effort is being made to provide for the maximum possible increase of the forces in the field at an early date; but there is no evidence of any corresponding increase, up to the present moment, of the Turkish forces in the field.

The estimated strength of field and garrison units is now about 590,000, as opposed to 500,000 in our last report, but allowance is now made for the strength of staffs, taken at 20,000, and omitted from that report.

Though there is apparently an increase of 70,000 on these figures, this is not really the case, as all divisions are now estimated at full establishment, whereas in our former figure, only those divisions, twenty-six out of fifty-two, the strength of which was unknown, were so estimated, the remainder being taken, as reported upon, at "rifle" strength.

An alternative estimate, constructed on the lines previously followed, gives 491,000 as the present strength of field and garrison units, or about 30,000 less than the estimate we accepted in our last report.

In view of the facts that the lower estimate excludes, in the case of some divisions, men temporarily engaged upon non-combatant duties, who would in other countries be included in estimated strength in the field; and that, against the over-estimation involved by taking all units at full establishment, there has to be set the existence of non-Moslem non-combatant levies doing work such as transport, which in other armies accounts for an appreciable proportion of the strength reckoned as combatant, we have no hesitation in preferring the higher figure—590,000. The number of divisions in the field has decreased by eight since our last report was written, in consequence of the amalgamation of weak units in the third army—that serving in the Caucasus. We understand, however, that the strength of the field army has not decreased in correspondence with the number of its divisions, and that it remains approximately the same as at the date of our last report.

The next point for consideration is the extent to which their reserves of trained or untrained men not yet put in the field will enable the Turks to add to this army of about 600,000 men. If this problem is to be approached on the lines usually followed, we require to know—

(a.) The total number of fit men of military age at the beginning of the war whom Turkey was then, or may since have become, in a position to call to the colours;
(b.) The strength of an annual contingent of youths attaining military age;
(c.) The loss from casualties, including both permanent casualties and the floating loss from temporary casualties;
(d.) The loss, whether of trained or untrained material, from sickness and other sources of wastage apart from casualties inflicted by the enemy and desertions.
Our survey of the information available under these heads leads us to the conclusion that it is insufficient to enable us to form on these lines any reliable estimate of Turkish reserves.

(a.) Size of Military Population.

A communication, dated the 23rd November, has been received from the Italian Admiralty Intelligence Division fixing the population of the Empire at 21,450,000, or about 1½ million in excess of our previous estimate. This information is stated to be derived from a reliable informant who is connected with the Turkish General Staff. Its form is somewhat peculiar, viz., “A census of the Turkish element of the Ottoman Empire in 1915 gives the following returns, &c.” At first sight the reference might appear to be to the Ottoman, or at least to the Moslem, element in the population only. If that were so, the figure given would be so widely at variance with all previous estimates that we could only consider the statement a piece of German propaganda analogous to and worthy of as little credit as Enver Pasha’s recent boast of an army of 3,000,000 men. This cannot be the case, however, for the number quoted for Asia Minor is stated to include Armenians. It appears probable, therefore, that the limitation to the “Turkish element” of the Ottoman Empire is meant to exclude Egypt and other territories recently nominally subject to the Empire. The figure is accepted in this sense at the War Office as representing the result of a recent census, and therefore more authoritative than the previous estimates.

Accepting this then as the total population of the country, we may say that it probably implies about 17,000,000 Moslems, if Christians are reckoned at about 4 million and Jews at somewhat less than half a million. Of these 17,000,000, we estimate that about 3,200,000, mainly consisting of the inhabitants of Arabia and the majority of the Kurds, would not be available for recruiting. The remaining 13,800,000 might now it is thought, owing to increase of Governmental control under German tutelage, be recruited to a considerably higher standard than that accepted at the time of our last report, but what actual addition should now be made is a matter of complete uncertainty. It should be noted that the capacity of the Turkish population to produce recruits at the beginning of the war was probably reduced below the average, as the result of wastage of men in previous wars, which is believed to have brought about a considerable preponderance of females in the population.

(b.) Amount of Annual Contingent.

Our information as to this illustrates no less forcibly the difficulty of estimating Turkish resources. It was estimated in the Cairo Handbook of the Turkish Army of February 1916 at 200,000, but in our previous report we gave our reasons for considering such a figure to be incredible, and for adopting the revised Cairo estimate of 80,000. If, however, the total recruitable strength of the Turks has increased to a notable extent owing to increased stringency and effectiveness of government, the estimate for the annual contingent should be correspondingly increased also.

(c.) Casualties.

Permanent casualties, including desertions, were estimated in our last report at about 500,000, and are estimated at 625,000 for the beginning of December. The element of uncertainty here, though considerable, appears to be less than in regard to the other points to be taken into consideration.

(d.) Wastage apart from Casualties.

Although this is known to be heavy, an estimate would be a matter of extreme difficulty. In the case of European Powers in the present war, this consideration is of such minor importance that it is conveniently merged with casualties, but this has not been the case in their former wars, nor does it appear to be the case with Turkey now. Disease is believed to have been very fatal, both to enrolled troops and to the general population, from which further troops may be drawn. As indicative of the possible effect upon our calculations of this form of wastage, we may refer to the loss suffered by the Turks in their campaign of 1897 against Greece, which has been placed at less than 2,000 men killed and disabled, but at over 25,000 dead or permanently invalided from disease. This goes to show that
Turkey is probably still in the position occupied, until a recent date, by all civilised countries in regard to the relative extent of losses from wounds and from disease in war. No doubt German control has done much to improve upon the standard of which could not in any case be taken as applying to the present war, but information of a very heavy loss from disease, particularly dysentery, typhus, cholera, and malaria, has been received, though the actual extent of this loss remains unknown to us. Even if we had not this information, moreover, we should be of opinion, in the light of common knowledge as to Turkish organisation, that, notwithstanding German efforts, the relation of the loss from disease to loss from casualties of the Turkish armies remained very different from the European standard attained in the present war. Turkey, in fact, may be fighting under the conditions prevalent in Europe a century ago, and even in South Africa fifteen years ago, when casualties did not constitute the main source of wastage. If so, even granted that the estimate of 625,000 permanent Turkish casualties is correct, we are still without the information as to wastage required if an estimate of remaining personnel is to be derived from numbers originally available.

With so much uncertainty attaching to the various items of information essential to the construction of a balance-sheet of Turkish man-power it would be quite possible to construct a table of the kind, harmonising with the known strength of the field army and containing no entries capable, at the moment, of disproof. But we feel that such a table would be too much a work of imagination to be of any value, and we have therefore been led to consider whether this method of treating the subject is not essential in framing an estimate of Turkey's remaining resources. Fortunately, from this point of view, the present recruiting policy of the Turkish Government is such that the factors referred to are of rapidly lessening importance for this purpose. The policy aims at getting every possible man into the army at the earliest possible moment, and as a consequence the numbers reported by contact as serving with the colours must rapidly come to represent the total obtainable. When this result is attained, as it should be early in 1917, it will be possible to infer original resources from a knowledge of wastage, or wastage from a knowledge of original resources, but both will be immaterial to the estimation of remaining resources.

The evidence that the Turkish Government is making every effort to place every possible man in the field is thus of cardinal importance. The following measures have been taken since the date of our last report:

(a.) The calling up of young classes has been carried further than by any other belligerent country, as class 1919 has already been summoned to the depots for training, and class 1918 has joined or is joining field units.

(b.) The official "Gazette" of the 29th October, 1916, publishes the following provisional law concerning young men fit for military service:—

"Those men, who according to the age appearing on the official registers are not yet ready to be called up for military service, but who from the point of view of their health and bodily development, are considered as fit for military service by the heads of their recruiting offices, will be sent for training."

In other words there is to be practically no lower age limit for military service in Turkey in future.

(c.) Men are retained with the colours till the age of 50 (though it is believed that after 45 they will be mostly employed in labour battalions and coast defence), and men under that age who had hitherto escaped service are now liable for home service.

(d.) All exemptions on payment have been abolished, at least nominally, though it seems possible that a considerable number of men who have hitherto been exempted on payment will still escape service through influence.

(e.) Emigrants and immigrants have been called up, including, under the latter, Greeks and other foreign subjects, and inducements are being offered to Serbians to join the Turkish army.

(f.) More pressure has certainly been brought to bear on the partially productive races of the Empire, such as Arabs, Kurds, and Druzes, but Christians and Jews, though probably now being enrolled, are not as yet being trained as combatants. It is, of course, conceivable that under German direction non-Muslims might be drafted into some of the European armies, but there is no evidence so far that this has occurred, the indications being rather
that they are actually required for non-combatant work for the Turkish army.

(g.) Moslems from many of Turkey's lost European provinces are being summoned to Turkey for enrolment in the army. We are informed that this statement does not apply to the Moslem subjects of Bulgaria, over 100,000 of military age, who are being made to serve in the Bulgarian army, but that it does apply to the population of Bosnia-Herzegovina and probably to some extent of Macedonia and the Dobrudja. A friendly neutral who left Constantinople on the 15th October reported that a number of trainloads of men from Macedonia and the Dobrudja, &c., were coming into Constantinople from the direction of Adrianople when he came through; and it was announced in the Bulgarian paper "Balkanska Posta" of the 24th October that all Turkish subjects in Bosnia-Herzegovina between 18 and 42 had been required to report themselves for duty with the Turkish army, and that 80,000 had already done so. This number would probably approximate to the total available from this source, the Moslem population returned at the census of 1910 being 812,000, and the total to be obtained from the former provinces of Turkey in Europe, exclusive of Bulgaria, may perhaps amount to about 100,000.

As regards the effect of these measures, it is impossible to do more than guess at this even in the case of the enrolment of the junior classes, which might be definitely measured if the size of the annual contingent were accurately known.

We are driven, therefore, to reliance upon such knowledge as is available of the results so far obtained by the increased stringency of the new policy. This knowledge is not as yet very great, but it should rapidly increase from now on as the effects of the most recent measures materialise. On this point we are unable to say more than that, although the increase of pressure upon Arabs and Kurds, &c., and the refusal of money exemptions and greater stringency generally have doubtless been in gradually increasing operation for some considerable time, they do not seem as yet to have led to any material increase in the numbers in the field. We understand there is reason to think that some new divisions, of which one has recently been located on the Bosporus and another on the Tanid peninsula, may have been formed largely as a result of the training of the 1918 class, and may at present be held in reserve in the interior of the country. If so, the new classes, which, if a long continuation of the war were anticipated, would be used as drafts to maintain existing forces, are being used in Turkey to make new formations, probably as the result of German demands for troops in the European theatre of the war.

We may now endeavour to place a numerical value upon the foregoing considerations.

The men now serving in the field are, as already stated, estimated to number 590,000.

In addition to these, reserves may be stated as follows:—

<table>
<thead>
<tr>
<th>Men in training in depots</th>
<th>50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 1918 (in depots or in new formations)</td>
<td>80,000</td>
</tr>
<tr>
<td>Class 1919 (in depots)</td>
<td>80,000</td>
</tr>
<tr>
<td>Recruits from Bosnia-Herzegovina, &amp;c.</td>
<td>100,000</td>
</tr>
<tr>
<td>Further men estimated to be obtainable as the result of increased stringency, including abolition of exemptions on payment</td>
<td>200,000</td>
</tr>
</tbody>
</table>

Total | 510,000 |

The last of these items is, of course, exceedingly speculative. So far as abolition of "bedel," or exemption on payment, goes (which, from the monetary loss involved, is estimated as likely to yield an additional 150,000 men), that probably applies chiefly to non-Moslems, who will not be recruited for the Turkish firing line; and increased pressure on Kurds and Arabs may have its effect largely in increased numbers of irregulars, whose usefulness is very limited. In some cases, for instance, these levies cannot be moved from their own country. We should not have been disposed to take such a low figure as 200,000, in view of the effort evidently being made under German direction and of the large margin of "partially available" man-power assumed in our
previous report, but for the evidence, quoted above, that the results have hitherto been disappointing. Additional recruits from the classes subject to service at the beginning of the war must be found in the main rather by improved administration of the original recruiting law than by the new legislation. We feel that if any very large supply of regular recruits could be obtained from this source they would be already, to some extent, in evidence.

We have thus a total of 1,100,000 men in, or available for, the army, of whom about 720,000, i.e., all but the last three classes of reserves mentioned above, are trained. The question of the allowance to be made for the effects of the recent increase in stringency of recruiting is, as yet, so doubtful that the total is subject to a considerable margin of error. This must, however, diminish very rapidly, as the men now being recruited are put in the field, leaving, we are assured, few to replace them: and it may be remarked that previous estimates of Turkey’s power to maintain or add to her armies under given conditions of recruiting have, so far, tended to err on the side of excess.

January 25, 1917.

Part IV.—BULGARIA.

Report Revised to December 31, 1916.

IN presenting its estimate of the Bulgarian position at the end of 1916, in regard to personnel, we have decided that the subject can best be treated on the lines of our revised report on Turkish personnel, i.e., by abandoning the method of a balance-sheet between original resources in man-power and their estimated expenditure in favour of a direct estimate of the resources now remaining. The reasons for adopting this course are similar to those applying in the case of Turkey, namely, the uncertainty attaching to most of the estimates necessary for a balance-sheet, and the accumulating evidence of exhaustion of reserves, from which it follows that resources tend increasingly to be confined to the armies now in the field or under training together with the annual contingents of young recruits as these attain military age.

We may first set out the difficulties in regard to the data affecting the problem which have led us to abandon the method followed in our previous report.

Population of Military Age and Fitness.

This may be estimated with some degree of confidence for Bulgaria itself, for most of which census statistics are available. Even here, however, three difficulties are met with:

1. The deduction for losses in the Balkan wars of 1912 and 1913 is a matter of uncertainty. In our previous report we assessed these losses at 35,000 to 40,000 men, a figure which appeared to most of us to be small in comparison with the estimates of loss in the present war, but which was founded upon the best information then available to us. Since then further information on this subject leads us to revise this estimate to 60,000 men who would otherwise have been available for the present war.

2. The extent of the gain in population resulting from the Balkan wars is open to question. No census of the newly-acquired territory appears ever to have been taken, but from the population estimates of the Director of the Bulgarian Statistical Bureau, it would seem that the official estimate of the excess of the population of the new territories over that of the Dobrudja area ceded to Roumania is about 375,000. The population of these new territories (those acquired in 1912-1913) would, of course, be in excess of this by the extent of that lost to Roumania, and it seems doubtful whether recruits could be drawn from this newly-acquired and less perfectly organised population in quite the same proportion as from the population of Old Bulgaria. We did not think it wise, however, to make any deduction on this account in our previous report.
3. The Moslem population, which was excluded in our previous report as furnishing few if any combatants, is now known to have been made liable to military service, though the extent to which actual combatants are derived from it is a matter of uncertainty. This population was estimated in our previous report at 133,000 men of military age [17-47]. Assuming the whole population, Moslem and Christian, and in the newly-acquired territories as well as in Old Bulgaria, to be fully available for military service of some description, and deducting the loss in the wars of 1912 and 1913, we may estimate that the males aged 17-47 in Bulgaria itself at the end of 1916 would, under peace conditions, have numbered 945,000, of whom about 165,000 would be physically unfit on the ratio of 17½ per cent, adopted in our last report for reasons therein stated, leaving 780,000 men of military age and fitness.

The uncertainty attaching to this figure is not perhaps of a degree seriously prejudicing its use, but the position is very different when we attempt to estimate recruits from the occupied territories, for which no census returns are available. The territories in question, with rough estimates of their population, are as follows:—

- Macedonia: 1,500,000
- Greek Macedonia east of the Struma: 340,000
- Pristina-Pristend: 250,000
- Dobrudja: 250,000

Total: 2,340,000

The populations quoted are very speculative, and the extent to which they can be drawn upon for recruits to the Bulgarian army is equally so. All except Greek Macedonia had already been recruited for the Serbian or Roumanian armies before their occupation by the Bulgarians, and in our revised report upon Turkey the Turkish population of Macedonia and the Dobrudja was treated as a field for Turkish recruiting capable of yielding 20,000 men. Bearing these points in mind we are disposed to regard as not unreasonable, though of course highly speculative, the estimate furnished to us that these populations may have provided 5 per cent, of their number as recruits to the Bulgarian or Turkish armies up to the end of 1916. On the number quoted this would amount to 117,000, or deducting the 20,000 Turkish recruits, to 97,000, say 100,000 recruits for the Bulgarian army. We cannot, however, exclude the possibility that further men may be found from these sources, and we therefore accept the War Office estimate that they may perhaps be made to yield a further 30,000 men apart from new annual contingents.

**Annual Contingents.**

We are informed that during the last year or two before the war the annual number of recruits accepted had grown to 42,000, and that allowing for recruiting of Moslems and aliens, and, we may add, for the rapid increase of population, the strength of an annual contingent from Bulgaria proper may now be estimated at 50,000. These numbers, primarily derived from recruiting records, are slightly in excess of those deducible from the census records, but the difference is not great.

The question of the allowance to be made for the occupied territories is a much more difficult one. On the basis of population alone, considered in proportion to that of Bulgaria itself, the contingent available from these areas might be taken at about 20,000. No doubt, however, much of the population dwelling in these territories before the war is no longer there to furnish annual contingents, and some of the recruits obtainable might be unacceptable, so the estimate cannot be made on these lines. On the whole, therefore, bearing in mind that 50,000 may be a rather high figure for Bulgaria itself, we are disposed to estimate the total contingent at 55,000 so long as the territories at present occupied remain in Bulgarian hands.

**Casualties.**

The permanent loss from casualties, taken at 90,000 in our last report, is believed by the War Office to have increased to 130,000 by the end of 1916. In view of the heavy fighting of the latter part of 1916 the addition for that period seems not out of

*Recent information suggests the possibility that these men after being trained in Turkey have returned to form an additional division in the Bulgarian army, but as it is added to the estimate of Turkish resources, they must be deducted from that recently furnished for Turkey, it will be convenient in this report to treat them as still a part of the Turkish army.*

[718—1]
proportion to the earlier total, but some of us question the heavy losses assumed during the invasion of Serbia in the first three months of the war (80,000, Colonel Cunliffe-Owen). Perhaps the most definite evidence we possess on this point is the statement published in the Sofia press of the 14th June last that killed then amounted to 37,000 and other casualties to 100,000. It is difficult to say what may have been included as "other casualties," but, judging by British experience, the permanently disabled and dead recorded as missing would be at least half as many again as dead reported as such, so that the loss up to the date in question may perhaps be estimated from this Bulgarian source to have amounted to 92,000, including permanently disabled men still under treatment. To these must be added prisoners and deserters, as well as deaths from disease; and in view of the fact that 7,000-8,000 men are believed to have deserted—many of them to the Greeks—between December 1915 and June 1916, the losses under these three heads for the whole period to June 1916 can scarcely be reckoned at less than 15,000. Thus, on the Bulgarian statement, as to the number of dead, an estimate of total permanent loss on the 14th June might have been founded amounting to 107,000, or 17,000 in excess of our previous estimate for a slightly later date. Such an excess would approximately represent the proportion of a floating loss of 50,000 (as estimated for that date) destined to become permanent, and as these are included in the 107,000 but not in the 90,000, the two estimates are in close agreement. We may add that the French staff estimate of permanent losses to the 14th February, 1917, is 132,000 as compared with the War Office figure of 120,000 to the end of 1916.

The Committee feel, nevertheless, that the evidence of loss is not sufficiently substantial to be accepted with confidence; and this has formed one of the reasons determining them to abandon the balance sheet method of statement.

The floating loss from casualties of a temporary nature is probably somewhat higher than at the date of our last report. We then put it at 50,000, but, in view of the heavier fighting of the autumn, and of the fact that the application of British army experience as well as of German experience, as stated in the "Soziale Praxis" of the 14th January, 1917, points to a figure of 60,000-70,000, the 50,000 might be raised to 60,000. The experience of the Western front, however, is not necessarily applicable to the Balkans, and we have no more confidence in the figure suggested for floating than for permanent casualties.

**Men Retained in Industry.**

The number of fit men necessarily retained in industry was estimated in our previous report at 60,000, and reasons were given for believing that it was likely to show some increase. We might perhaps now put it, on the strength of the information afforded to us, at 70,000, but this is a very doubtful figure in regard to all the enemy countries, and one as to which estimates are liable to differ widely.
reserves existed. Other evidence exists in the shape of serious difficulties in regard to agriculture and commerce, owing to the extent of the mobilisation. For instance, it has been found possible to expend only 200,000 out of 3,500,000 francs voted in 1916 for development of agriculture in the newly-occupied territories. The strongest evidence, however, on this point may probably be held to lie in the general policy of the enemy countries to put the largest possible numbers into the field for this year's campaign.

**Present Army Strength.**

In our previous report this was reckoned at 430,000, including the 1918 class, but excluding Moslems and Macedonians in transport and other non-combatant corps. As recruiting from these sections of the population has since then been more strictly enforced, and as their limitation to non-combatant duties is less certain, it is now thought better to include them, to the number of, perhaps, 175,000* in the statement of army strength. Including these men and the 1918 and 1919 classes, taken at 50,000 each, the present War Office estimate is put at 540,000. As we estimate each of these classes at 55,000, the total becomes 550,000, or 70,000 less than the French staff estimate of 620,000. We may note that an estimate of Bulgarian army strength derived from our previous figure of 430,000 by making appropriate additions and deductions stands almost midway between the estimates now made by the British and the French staffs. This may be shown as follows:

<table>
<thead>
<tr>
<th>Previous estimate</th>
<th>430,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add</td>
<td></td>
</tr>
<tr>
<td>Macedonian transport personnel</td>
<td>65,000</td>
</tr>
<tr>
<td>Bulgarian Moslems of military age and fitness</td>
<td>110,000</td>
</tr>
<tr>
<td>1918 class</td>
<td>55,000</td>
</tr>
<tr>
<td>Deduct—</td>
<td></td>
</tr>
<tr>
<td>Additional permanent casualties</td>
<td>40,000</td>
</tr>
<tr>
<td>&quot; floating loss</td>
<td>10,000</td>
</tr>
<tr>
<td>&quot; industrial workers</td>
<td>10,000</td>
</tr>
<tr>
<td>Men aged 40-45 on 1st January, 1917, and so over military age on 1st January, 1917, may</td>
<td>20,000</td>
</tr>
<tr>
<td></td>
<td>80,000</td>
</tr>
</tbody>
</table>

It will thus be seen that if we had had no fresh information from the War Office as to the number of units and their average strength we should have made our estimate 30,000 higher than we do. This discrepancy may of course be due either to greater wastage from casualties or withdrawals for industry or to smaller accessions of strength from the Macedonian and Bulgarian Moslem population than we have allowed for. These figures are all, as already pointed out, so doubtful that a discrepancy of 30,000 arising from their total effect is not surprising. In these circumstances, and granted absence of reserves, the one important point is the reliability of the estimate of army strength, as to which we understand that the Intelligence Directorate of the War Office holds to its own view, but desires to call attention to the higher estimate of the French staff, which is based upon a correspondingly higher estimate of the average strength of the second line battalions, as to the number of which there is no difference of opinion.

In estimating total available personnel,* the only additions to be made to the

* The Macedonians serving as non-combatants with the Bulgarian army were reckoned at 65,000 at the time of our previous report. The Moslems of military age in Bulgaria were estimated in that report at 133,000, of whom we assume that 110,000 may now be serving in one capacity or another.

† Although discarding the balance-sheet method we may refer to the fact that our previous estimate showed 70,000 men unaccounted for by the figures then given. This would have been only 60,000 if the military population had been estimated as in the present report, but to this figure must now be added the 10,000 by which the present estimate of army strength falls to correspond with that in our earlier report, making a total of 70,000. If, however, a fresh balance-sheet were constructed for Bulgaria, for which alone the attempt was made before on the strength of the estimates discussed in the present report, the deficit might be assessed at about 70,000. We do not, however, attribute importance to either figure, and prefer for the reasons given to disregard the apparent discrepancy, as we did before. We think it is not improbable that the demands of agriculture, which were not taken into account in making the estimate of 70,000 fit men necessarily retained in industry, might account for the reservation of another 70,000 fit men if this has in fact been made. The area under cultivation for 1917 outside the war zone in Bulgaria is reported on good authority to be the most extensive yet known, and might account for the balance.
present army strength are those of the 30,000 men possibly still obtainable from the
occupied territories and the classes of 1920 and future years as these attain maturity—at
present they need not be taken into account.

(Signed) BERNARD MALLET (Chairman).
JOHN BROWNLEE.
M. D. CHALMERS.*
JULIAN S. CORBETT.*
E. W. COX.
A. W. FLUX.
CLAUDD SCHUSTER.
T. H. C. STEVENSON
LANCELOT STORR.

2, Whitehall Gardens, S.W.,
April 5, 1917.

* Sir M. D. Chalmers and Sir Julian Corbett did not become members of the Committee until the
29th March, 1917. Their signatures, therefore, only apply to the first two sections of this Report
(“Germany” and “Austria-Hungary”). (See footnote to Terms of Reference on reverse of Title-page).
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ADVISORY DEPARTMENT OF RECONSTRUCTION.

PROPOSALS SUBMITTED TO THE PRIME MINISTER BY THE RIGHT HON.
E. MONTAGU, M.P.

Functions.

1. TO consider and advise, with the aid of Committees and otherwise, upon the problems which will arise on the conclusion of peace, other than problems of purely naval, military, or foreign policy.
2. To keep in touch with all Departments dealing with such problems, and to act as a Central Bureau of information and assistance for them.
3. To report to the Prime Minister the conclusions reached by Departments, Committees, &c., on such problems, and to take his instructions where required.
4. To keep the Prime Minister informed of the progress of action and discussion on reconstruction questions, both in this country and elsewhere.
5. Generally to promote the investigation of such questions, the attainment of considered conclusions upon those which can be decided before the end of the war, and the taking of the action necessary to prepare for the situation which will arise.

Organisation.

Minister responsible ... ... ... The Prime Minister.
Director of the Department ... ... ... The Right Hon. E. S. Montagu, M.P.
Secretary ... ... ... ... Mr. Vaughan Nash, C.V.O., C.B.
Assistant Secretaries ... ... ... Mr. H. E. Dale and Sir M. Bonham Carter, K.C.B.

The various fields of enquiry will be in charge of investigators appointed for their special knowledge. They need not necessarily be whole-time members of the staff of the Department. It is proposed to select them with a view to keeping in touch with the Cabinet Secretariat, the Prime Minister’s Intelligence Department, and the various Government Offices. It is highly desirable to keep this part of the organisation as elastic as possible, in order that the Department may avail itself of the assistance of any men and women throughout the country who may appear likely to render it service.

Procedure.

1. The existing Sub-Committees of the Reconstruction Committee to continue.
2. New Committees, as may be necessary, to be appointed by the Prime Minister on the recommendation of the Director of the Department.
3. The Reports of all Committees to be addressed to the Prime Minister, and submitted to him through the Director.
4. The Director, subject to the approval of the Prime Minister, to summon such conferences of Ministers, or representatives appointed by Ministers, as may be required to deal with matters affecting more than one Department. He will consult with Mr. Henderson on all matters falling within the latter’s sphere of interest.
5. The Director to report to the Prime Minister the results of such conferences, and to obtain his approval for the measures necessary to execute the policy determined; or, in the case of difference among the Ministers concerned, to take his instructions.

January 25, 1917.
POSITION IN REGARD TO GOVERNMENT TIMBER PURCHASES.

I.—MEMORANDUM BY SIR ALFRED MOND.

II.—MINUTE AND MEMORANDUM BY SIR LIONEL EARLE.

HAVING accepted on the 16th instant the position of Chairman of the International Commission on Timber Purchases, I wish to draw attention to the very serious state of affairs created by the Treasury instructions contained in their letters dated the 5th and 12th instant, wherein we are asked to restrict purchases in Scandinavia and the United States of America.

The statistical position regarding supplies is, shortly, as follows:

Average requirements in sawn timber for war purposes—43,500 standards a month (or 522,000 standards a year) (exclusive of poles, pickets, and rough timber).

It is estimated that the following quantities can be obtained without purchasing in Scandinavia or the United States of America:

<table>
<thead>
<tr>
<th>Country or Source</th>
<th>Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>120,000</td>
</tr>
<tr>
<td>Russia (White Sea)</td>
<td>70,000</td>
</tr>
<tr>
<td>Production of Home-grown Timber Committee</td>
<td>30,000</td>
</tr>
<tr>
<td>Production in France for British armies</td>
<td>35,000</td>
</tr>
<tr>
<td>Total standards a year</td>
<td>305,000</td>
</tr>
</tbody>
</table>

Leaving a shortage of roughly 220,000 standards a year, without making any allowance for increased demands.

Timber imported according to the Board of Trade returns during 1916, exclusive of Government purchases, was as follows:

<table>
<thead>
<tr>
<th>Country or Source</th>
<th>Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scandinavia</td>
<td>594,366</td>
</tr>
<tr>
<td>Canada</td>
<td>242,816</td>
</tr>
<tr>
<td>Russia</td>
<td>193,233</td>
</tr>
<tr>
<td>United States of America</td>
<td>78,897</td>
</tr>
<tr>
<td>Other countries</td>
<td>8,675</td>
</tr>
<tr>
<td>Sleepers (all countries)</td>
<td>68,452</td>
</tr>
<tr>
<td>Total</td>
<td>1,185,709</td>
</tr>
</tbody>
</table>

The stocks in this country are approximately as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sawn timber</td>
<td>600,000</td>
</tr>
<tr>
<td>In consumers’ hands</td>
<td>400,000</td>
</tr>
<tr>
<td>Total</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

Of this amount roughly 550,000 standards are earmarked for definite consumption, leaving a real reserve of only 450,000 standards.

From this statement it will be seen that the timber available from Canada, Russia, home production, and production in France for the British Army is quite inadequate to meet the demands, and I understand that, in spite of all possible steps being taken to increase the supplies from these sources, it cannot be anticipated that they can be
materially increased. The Scandinavian and United States of America markets therefore remain essential for the provision of the necessary timber for war and munitions purposes. The amount of surplus stocks in the country which can be commandeered would undoubtedly last for a few months, after which the position would be an extremely dangerous one, as we should have to rely on being able to purchase timber, obtaining tonnage for, and obtaining delivery of timber without interruption, and the whole of these large quantities from Scandinavia and the United States of America without any increase of the present demands.

I would submit that no apparent justification exists for running such a very grave risk of shortage in a material of such vital importance in the conduct of the war. The two reasons put forward in virtue of the cessation of forward purchases in the United States and Scandinavia are, firstly, the question of exchange, and, secondly, the question of tonnage.

As regards the question of exchange, I would point out that the purchases by outside merchants far exceed those made by the Government. Apparently the outside merchants are able to find the means of financing their purchases and dealing with the exchange problem. I am informed by the Government buyer that he would undertake, if the Treasury puts at his disposal the amounts required in sterling in London, to deal with the exchange. The Treasury objects to this course, on the ground that it would disturb the work of the Exchange Committee as far as Sweden is concerned. In reference to this point, I would submit that the large quantity of exchange required for private purposes, which is not under Treasury control, in itself prevents that regulation of exchange through the Exchange Committee which the Treasury thinks desirable, and that unless this is eliminated no real control of exchange can be obtained.

I would further point out that Sir Lionel Earle, on his recent visit to France, had arranged in Paris for a joint Franco-British-Swedish loan for 40,000,000 to 60,000,000 kroners, on what appeared to me and to him very reasonable terms. The carrying through of this transaction was, however, stopped by the Treasury, for reasons which have been explained to me. I am informed that it is apparently easier for the French Government to arrange loans in Sweden than the British Government, owing to the fact that the French have not been so immediately concerned in the blockade and are regarded with more friendliness by the Swedish Government. Further, there are more Swedish securities held in Paris as cover for a loan than in London.

As regards the American exchange, I am not in a position to offer any opinion; but I cannot think that the relatively small amount of money required for timber purchases, in view of the other very large commitments, seriously affects the question.

Secondly, regarding the question of tonnage, I am informed, in respect to the Scandinavian market, that the bulk of the material is carried in neutral bottoms, and the cessation of imports would therefore not liberate British tonnage, nor would there be apparent any guarantee that the neutral tonnage just liberated would be available for the Allied purposes. On the other hand, as I have already stated, the dangers involved are, in my opinion and that of my advisers, of the most serious character; and I cannot accept the responsibility for allowing matters to remain in their present position without definite instructions from the War Cabinet on the question.

I (Signed) ALFRED MOND.

His Majesty's Office of Works,
January 26, 1917

II.

The First Commissioner,

I attach a memorandum which I think sets forth clearly the necessity for purchasing timber for purely war purposes in both Scandinavia and the United States. In view of the Treasury instructions (copies of letters attached), I think the matter should be considered and instructions as to our future action given by the War Council. The explanation as regards the increased purchases of pitch pine and sleepers accounts for the recent increase of purchases in the United States referred to in Sir Robert Chalmers' letter of the 12th instant.

As you know, I had practically arranged in Paris for a joint Franco-British-Swedish loan for 40,000,000 to 60,000,000 kroners on what I think reasonable terms, but, for reasons unknown to me, the Exchange Committee did not see their way to agree to this proposal. Meanwhile the Treasury appear to me to be unable to solve the Swedish exchange question, which has been prominently before them for the past four or five
months. Perhaps you will consider it advisable to lay the whole facts before the War Council, as I do not think the War Timber Commission can guarantee to supply timber for the various war demands under the conditions laid down in Sir Malcolm Ramsay's letters.

January 18, 1917.

(Signed) LIONEL EARLE.

Soft timber for the requirements of the armies in France, and for War Office, Ministry of Munitions, and Office of Works requirements at home, is purchased from money placed at the disposal of the Office of Works out of the Vote of Credit. An International Commission, with British (Office of Works, Admiralty, War Office, and Ministry of Munitions), French, and Belgian representation, exists for collating the above requirements and those of the French and Belgian Governments, and bringing them into relation with the home production of Great Britain and France. The letter is being developed in both countries to the utmost, but it is still necessary, and will always be necessary, to obtain much the greater part of the British requirements from abroad. Purchasing abroad is done by the Office of Works' buying agent in consultation with French and Belgian representatives, the basis of the purchases being the indent for timber received from the armies in France and from the various Departments.

Recently the Treasury have instructed the Office of Works to restrict its purchases of timber in Scandinavia (particularly Sweden) and the United States of America within the narrowest possible limits, in view of difficulties connected with the exchange. The desirability of refraining from purchasing in neutral countries has always been borne in mind by the Office of Works in its operations in timber, and, for this and other reasons purchasing in Scandinavia and the United States has never been undertaken unless it appeared to them that failure to obtain the timber would prejudice the carrying out of essential services. Indeed, for the first seven months of last year they kept out of the Scandinavian market altogether, and quite recently they have expressed their inability to execute an order for 500,000 60-centim. track sleepers because they could only be obtained in the Gulf of Mexico.

It is desirable therefore to explain what timber is purchased in these countries, the purpose for which it is used, and why it cannot be obtained anywhere else.

1. **Pitch-pine.**

Pitch-pine can only be obtained in the Gulf of Mexico. It is demanded chiefly by the Inland Water Transport Department and the Director of Railways, France. The demands amount to about 1,500 standards a month, the f.o.b. value being approximately £15,000.

A special order for about 4,500 standards of pitch-pine (f.o.b. value £45,000) is now in course of execution for making railway waggons urgently required for the railway services in France. It was at first intended to use "railway-waggon oak," which itself is a special oak, to be obtained only in the United States of America, but it was not obtainable in the time, and in any case, the cost would have been greater.

2. **Sleepers.**

Sleepers can be obtained from many sources. They are being cut in as large quantities as possible by the Home-grown Timber Committee in the United Kingdom, and by the Canadian Forestry Battalions in France. They can also be imported from the White Sea, from Spain, Portugal, and the United States of America.

They are required in large quantities, and are used for various purposes (trenches, roads, railways, &c.) in France, Salonika, and Egypt. A small quantity is also required by the military authorities and by the Ministry of Munitions in this country.

The average monthly demands for all purposes were until recently about 175,000 a month, and arrangements had been made to obtain these without purchasing in the United States of America. But since November last additional demands have come forward for about 4,000,000 sleepers for railway services and roads in France, and, in spite of every effort to increase the production of the Home-grown Timber Committee and the Canadian Forestry Battalion in France, and to exhaust all other sources of supply (the White Sea being now closed), it has been necessary to purchase some 1,200,000 sleepers in America, f.o.b. value about £130,000.
3. Plywood.

Plywood can be obtained from Canada and the United States of America only. It is used by the Ministry of Munitions for diaphragms for ammunition boxes, which are, of course, being made in large quantities now to meet the requirements for the spring offensive. The demands amount to about 477,500 ft. super a month, f.o.b. value about 14,500£.

The limited amount of plywood which can be obtained from Canada has proved most unsatisfactory and unreliable, and there is no alternative but to obtain it in the United States of America.

4. Sawn and Planed Fir.

Planed and dressed fir (which is used in construction work for flooring, &c.) can be obtained only in Scandinavia.

Sawn timber (which is used largely for trench work and also for hutting in France, and for the rougher construction work, roofing, &c., in this country), can be obtained from the White Sea, from Scandinavia, from the United States, and from Canada.

The demands for both amount to about 8,000 standards a month for this country, and to about 18,000 standards a month for France.

For the present the White Sea is closed, so that nothing can be obtained from that source. As regards Canada, the St. Lawrence ports are closed, and only the eastern ports (St. John and Halifax) are available, and the amount which can be lifted from those ports is restricted—

1. By the capacity of the ports in the matter of loading berths;
2. By the fact that the railways serving the ports can only deliver a limited quantity; and
3. By the amount of tonnage which can be procured.

In fact, the amount procurable from this source is no more than 9,000 standards a month, so that, even if the requirements in this country be disregarded, 9,000 standards have to be obtained from Scandinavia or the United States. The balance is actually being obtained in Scandinavia.

Home requirements are being met for the time from stocks in this country, but they cannot be drawn upon to any extent without leading to importation (which can only be from Scandinavia).

If importation by private buyers were entirely prohibited (as has been suggested), and direct importation by the Office of Works restricted to the requirements for France, the existing stocks at the present rate of consumption (90 per cent. of which is estimated now to be for Government requirements) would not suffice for more than six or eight months, and there would then be only the timber produced in this country to rely upon.

5. Box Shooks.

The box shooks bought by the Office of Works are required for ammunition boxes and for petrol and rum boxes, and are obtainable from Canada and Scandinavia only.

The demands amount to about 1,500 standards a month.

Canada's maximum production in the time allowed, amounting to about 650 standards a month (chiefly for ammunition boxes, which are the more expensive), is being taken, so that it is necessary to obtain the balance of 850 standards a month from Scandinavia. The relative values are 29,500£. (f.o.b.) from Canada and 27,500£. (c.i.f.) from Scandinavia.

A suggestion that the manufacture of such boxes in this country might be increased would mean, even if labour and mills were available, that deals of the best quality would have to be imported for the purpose, and they can only be obtained from Canada, Scandinavia, and the White Sea (when open).
NATIONALISATION OF SHIPPING.

(Memorandum by Shipping Controller.)

THE duty laid upon the Shipping Controller by Act of Parliament is to control and regulate the available shipping in such a way as to ensure that it is employed to the best advantage, having regard to the circumstances of the time.

The first necessity clearly is to secure and place at the disposal of the Government the ships required from time to time for the purpose of carrying on efficiently those services which are the direct and immediate responsibility of the Government, namely, all transport and supply, whether naval or military, the provision of all essential commodities, such as grain, sugar, meat, &c., for civilian consumption which may from time to time be brought under control, and the due discharge of the obligations of His Majesty's Government towards their Allies. For this purpose suitable machinery already exists in the power of requisition as exercised by the Admiralty Transport Department, and to a limited extent by the Board of Trade, and the powers of prescribing employment of unrequisitioned vessels as now exercised by the Transport Department and by the Ship Licensing Committee, without whose authority and approval no British vessel can now load any cargo. Cumulatively these powers, whilst retaining the services of owners, constitute an elastic system of control over British ships, unrestricted both in scope and degree in so far as it is desirable to enforce it.

Subject to the due fulfilment of the above direct and immediate responsibilities, it is submitted that the general control to be exercised over the shipping industry should be essentially a financial control, as in the case of railways and controlled establishments.

It is important, however, that the control should be such as to preserve the incentive of trade profit, which is the most powerful stimulus to efficiency. For this reason a development of the principle of the excess profits tax (for which the necessary machinery is already in existence) is to be preferred to the application of the arrangement in force in, for example, controlled establishments, under which all profits beyond a fixed allowance are transferred to the Exchequer. Having regard to the vital importance of a strong well-managed mercantile marine from the point of view of national safety, and to the special characteristics which differentiate it sharply from the industries above mentioned, all causes tending to a relaxation of effort (conscious or unconscious) on the part of those who alone can have the vast ramifications of the system fully within their grasp, should as far as possible be eliminated.

If the policy indicated in this memorandum is adopted, the following advantages would be secured:

1. The ships required for direct Government service would be made available with the least possible dislocation of trade.

2. The employment of ships in any way which is contrary to the national interest can be prevented either by restriction of imports of scheduled commodities, or under the Ship Licensing procedure.

3. The advantages of cheap freights will be secured to the consumer in the case of commodities whose distribution has been brought under Government control. (It is only where such control has been established that the benefit of a saving of freight charges can under any system be secured to the general community. In the absence of such control there is grave risk, amounting almost to a certainty, that any advantage accruing from favourable freight conditions will merely be transferred to the merchant or the foreign producer.)

4. For the rest, the Government will secure to such an extent as may be deemed expedient the benefit of any exceptional profit incidental to the market conditions of the day.

January 25, 1917.
SECRET.
G.-123.

NATIONALISATION OF SHIPPING.

MEMORANDUM BY THE PARLIAMENTARY SECRETARY OF THE MINISTRY OF SHIPPING, WITH SPECIAL REFERENCE TO THE FORMATION OF AN ARMED STATE-OWNED INTER-IMPERIAL SHIPPING SYSTEM AS AN IMPORTANT ELEMENT IN THE DEFENCE OF THE EMPIRE.

(Previous Paper No. G.-122.)

1. THE question of the control of shipping in this country is concerned with:—
   (a.) The best use of British ships in the national interest during the war.
   (b.) The financial aspect of the shipping trade.
   (c.) The position of British shipping after the war, and
   (d.) The defence of the nation and Empire.

   It has often been urged during the war that shipping should be "nationalised." Sometimes this expression is used to describe such a method as was employed in the case of the railways, which may be shortly described as the State control of the railway system during the war with guarantee to the proprietors that their profits during the war shall not be less than their profits in 1913. This, of course, is not true nationalisation, but national possession for a limited period during which the proprietors are guaranteed their peace profits. On other occasions the term "nationalisation of shipping" has been used in its full and proper sense as meaning the complete acquisition and control of the British mercantile marine. The purpose of this memorandum is to examine the question of real nationalisation, having regard to the aspects of the problem which have been stated.

Why British Shipping has Prospered.

2. When the war broke out shipping was one of our chief industries, and it must be freely conceded that its management by private individuals raised it to great eminence. It should not be forgotten, however, that the shipping industry of the United Kingdom owes its success very largely to the existence of magnificent British coal supplies situated so near to fine ports as to give them a monopoly value. Coal, as was long ago pointed out by Jevons, acts as a magnet to raw materials, which provide profitable inward cargoes. The exportation of British coal again, provides splendid outward cargoes for shipowners. Thus British shipping is worked on a peculiarly profitable basis. In 1913 the exports of coal reached 77,000,000 tons. It may be pointed out that under State management the all-important coal factor would continue to operate. It is a dominating factor which we owe, not to persons, but to nature.

Magnitude of the Problem.

3. There is often exhibited a tendency to exaggerate unduly the magnitude and difficulties of the problem. As a matter of fact, as the war has brought home to us, the number of ships of considerable size in the British mercantile marine is not very great. There are some 10,000 ships on British register, but of these only some...
are ocean-going. Having regard to ocean-going steam vessels of 1,600 tons gross register and over, we entered upon the war with 3,888 such ships, with a total tonnage of 16,841,000, and this number had been reduced at the end of 1916 to 3,464, with a gross tonnage of 15,300,000. This is the part of our shipping that matters, and we see it to be concerned with fewer than 3,500 units of carrying power.

4. The practical management of the mercantile marine is in the hands of a considerable number of owners, the majority being under the control of joint stock companies. In many cases, doubtless, the management of the vessels as commercial units is vested in persons who are both owners and managers. A very large proportion of shipping shares, however, are owned by persons who have no knowledge whatever of the shipping trade. It is probably true, also, that in the majority of cases the divesting of shipping companies of their ownerships would leave intact the organisation of the companies as going concerns, with sufficient managing ability to enable them to carry on. There is little of actual proprietorship connected with the great majority of the persons forming the working personnel of either shipping offices or ships.

5. If this is true, what reason is there to apprehend that if the State took possession of British shipping it would be unable to manage what it had acquired? Can it be soberly argued that the control and use of about 3,500 steamships of importance, plus a number of smaller vessels, would so strain the powers of management after the change of ownership as to bring about collapse, or even considerable inefficiency?

6. Moreover, it is surely unjust to those shipping proprietors who are shipping managers to assume that if the State entered into possession of the ships in the real sense, they would, in resentment, refuse to aid the State. For what are the facts? Above all other trades the shipping trade has gained by the war. Of the actual gains I will speak presently. Let it suffice to say at this point that they have been and are prodigious. It would be a grave injustice to representative shipowners to hold that if the State decided to enter into the real possession and actual management of ships, they would refuse their services after making unparalleled and unlooked-for profits during the war. I believe that if the Government decided upon nationalisation they would find amongst leading shipowners who are also ship managers far more than enough men of public spirit and capacity ready to do their plain duty to the State. Indeed it is well known that not a few of the most prominent shipowners have, during the war, served the public interest with the greatest ability and devotion.

7. It is sometimes said that a large part of the practical business of shipping is conducted outside the United Kingdom, and that this makes nationalisation difficult. The answer to this argument is that when the State took possession of the shipping trade the foreign agencies of the shipowners would naturally come into its possession intact, and that the personnel and connections could and would be maintained. Concentration in Shipowning.

8. It is to be observed in this connection that the tendency of recent years in shipping, as in other trades, has been to concentrate power in fewer and fewer hands. Indeed, combination as to prices in the shipping trade preceded its development in many other trades, and has been for a long period a cause of bitter complaint on the part of British traders. Agitations as to shipping "rings" or "conferences" have been so numerous as to become a commonplace. Within the shipping trade itself there has been great antagonism as between "tramps" and "liners," tramp owners not unnaturally taking up the same position as shippers with regard to ring freight charges and rebates. It must be conceded that competition between shipowners conveying goods between port (A) and port (B) is inherently uneconomical, and that is the proper economic defence of the "conference" or "ring." Against this has to be put the important consideration that the economic advantages of combination in such a case may be, and sometimes undoubtedly are, offset by the abuse of the power of monopoly when entrusted to private hands. Even in time of war the system of conference rates is continued. It may be pointed out that the chief recommendation of the majority report of the Royal Commission on Shipping Rings, which reported in 1909 was that the best way to deal with shipping rings was that "shippers and merchants in a given trade should form themselves into associations so that they might be able to present a united front to the conference when any controversy arose." That is to say, the shipping ring was to be fought by a merchants' ring. This proposal may
appear, and indeed is, sufficiently humourous, but it is difficult to know how, short of a real and effective control of shipping by the State, the injurious effects of private monopoly in the shipping trade can be prevented.

9. It is obvious that very great economies in personnel would result from nationalisation. The great complication which now exists of shipping offices, clerks, agents, brokers, &c., would be swept away. At each United Kingdom port a single shipping office would suffice for the work to be done. It is not suggested that that could be effected during the war. For the present the multiplicity of shipping offices and agents would have to be continued, and when peace comes very great savings could be readily effected.

Shipowners' Profits.

10. Let us next pass to the question of finance. As to shipping profits, it has been recently calculated by Mr. J. A. Salter (not for the purposes of this memorandum, but in another connection) that in the first twenty-six months of the war shipping profits were:

<table>
<thead>
<tr>
<th>Class of Ship</th>
<th>Number</th>
<th>Net Profit Insurance at</th>
<th>Net Profit Insurance at</th>
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<tr>
<td></td>
<td></td>
<td>pre-war Values.</td>
<td>full Values.</td>
</tr>
<tr>
<td>Oceana tramps</td>
<td>1,666</td>
<td>135,000,000</td>
<td>116,000,000</td>
</tr>
<tr>
<td>Cargo liners</td>
<td>1,108</td>
<td>108,000,000</td>
<td>89,000,000</td>
</tr>
<tr>
<td>Passenger liners, coasters, &amp;c.*</td>
<td></td>
<td>67,000,000</td>
<td>57,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>305,000,000</td>
<td>282,000,000</td>
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</table>

* Taken at half profit made by tramps, &c.

At the date of this writing the net profits of British shipowners during the war, after allowing for insurance upon inflated ship values, are well over 300,000,000L. Mr. Salter's calculations have been confirmed by Dr. Stamp, of the Inland Revenue, working on independent lines. Those extraordinary figures are quite unrealised by the public at large, and there is no doubt whatever that when they are known there will be a considerable exacerbation of the public feeling which already exists on the subject of shipping profits.

11. The excess profits duty has failed to prevent the making of undue profits by the shipowners. This is not to reflect upon shipowners as a class of traders, but merely to state a fact. It is a statement which is true of some members of other trades, but in no trade as a whole has the excess profits duty worked so disadvantageously to the national interest as in the case of shipping. The explanation is twofold:

(a) In the first place, the two years immediately preceding the war were years of unusual prosperity for shipowners. Whereas in the years 1904-14 the average profit on cargo ships did not exceed 5 per cent., in 1912 it was 26 per cent. and in 1913 18 per cent. Thus the shipowner's standard for the purposes of the excess profits duty is exceptional, and it means that he gets 20 per cent. profit before the State takes a penny in excess profits duty.

(b) The exceptional and increasing calls upon shipping and the continuous decrease in ships available, have combined to raise freights to amazing and unprecedented levels.

12. The last-named consideration has been partly mitigated by the requisitioning of an increasing proportion of tonnage at what are called "Blue Book rates" (i.e., rates arranged by the Admiralty Transport Arbitration Board). But even on this head it has to be observed that the existing tramp Blue Book rates give a net profit of about 12 per cent. after allowing for insurance on the inflated ship value, whereas if the war had not occurred the profit would probably not have reached 5 per cent. If we have regard to the value of the ships before the war, which is the true test, then the Blue Book rates give a profit of over 30 per cent.
13. In view of these considerations it is certainly not enough to suggest that the way to deal with shipping profits now is to raise the levy of the excess profits duty. Even if it were raised to 100 per cent., the shipowners would be left with 20 per cent. profit on pre-war capital as compared with only 5 per cent. made by them in the average of the eleven years before the war. It should further be remembered that when the war broke out shipowners were certainly in for a time of severe depression. As was said by a leading shipowner, Sir Walter Runciman, in December 1913: "We are in for a very bad depression ... there is a very serious position to face." It is probable that if the war had not occurred, shipowners' profits between July 1914 and the present time would not have reached 4 per cent.

14. Unfortunately, too, shipowners' profits have cost the nation far more than the sum taken by the shipowners. High freights, of course, have operated in exactly the same way as high import duties to raise the prices of home produce. Therefore, shipowners' high profits have led to farmers' high profits, and the lack of control of freight rates has affected the whole agricultural position most adversely, and inter alia compelled the War Office to commandeering British wool at a high price, that high price appearing to the farmer to be an injustice. Many other curious consequences have followed upon high freights, and it is probable that the private ownership of shipping during the war has cost the public hundreds of millions of pounds more than has been drawn by shipowners.

15. But not only is it true that the shipowners have escaped lightly under the Excess Profits Duty. In another respect they have escaped taxation altogether. High freights have meant a great rise in ship values. Ships which were before the war 60. a ton are now (January 1917) worth about 301. a ton. The appreciation in the capital value of British ships has been well over 300,000,000Z., and in respect of this great sum not one penny of taxation has been paid. In some cases shipowners have sold out of the shipping trade altogether and made great untaxed fortunes.

16. The profits referred to have been swollen by the Government backing of war risks insurance. At the 31st December, 1916, the Government War Risks Insurance scheme stood thus:

\[
\begin{array}{l}
(a.) \text{Premiums paid by shipowners} \quad 14,100,000 \\
(b.) \text{Losses} \quad 16,900,000 \\
(c.) \text{Balance debit} \quad 2,800,000 \\
(d.) \text{Paid by the State, 80 per cent. of 2,800,000} \quad 2,240,000
\end{array}
\]

17. It has been urged in some quarters that the proper way to deal with shipowners' profits is to leave them, or a large part of them, in shipowners' hands, on the understanding that they are earmarked for the building of new tonnage to maintain our mercantile supremacy. This suggestion amounts to a proposal that shipowners shall remain in possession of their profits, but that they shall turn those profits into capital. It does not seem to me that the public can be expected to be content with such a project if it is agreed, as it must be agreed, that the profits made are undue profits. How can it be suggested that it is fair that shipowners should in effect have capital freely supplied to them out of the needs of a people engaged in a devastating war? Why, for example, should a manufacturer engaged in a splendid and useful home trade, which has been half ruined by the war, furnish out of his diminished income new capital to the shipowner? Why should an architect, robbed of his entire business for several years and reduced to seeking some clerical or other employment to keep him going, furnish out of his small earnings, through prices inflated by high freights forced subscription to building a new ship for one who has had the good fortune to make money out of the very circumstances which have wrecked the architect? It seems to me that the more this proposal is examined the more it will be seen to be utterly inequitable.

Security Incompatible with Private Ownership.

18. As to the future of the British mercantile marine, the new conditions of naval and aerial warfare must be gravely considered in their relation to the safety of the United Kingdom and the preservation of the British Empire. The conditions of sea power are changing before our eyes. In submarine warfare the attack appears to be stronger than the defence, although we have certainly not reached the limits of submarine development in point of size, speed, or armament. The development of aerial warfare will probably be even more inimical to the safety of merchant ships in war. Thus the position of an island largely dependent upon sea-borne supplies is
rapidly changing from one of exceptional security to one of exceptional insecurity. Although we started this war with the possession of more than one-half of the effective ocean tonnage of the whole world, we are in a state of great anxiety as to the safety of our imports. The sea connections of the Empire are threatened, and in twenty years' time the conditions of naval warfare may be such as to mean that the outbreak of a great war would mean the resolving of the British Empire into isolated factors unable to help each other. It is true that we have good hopes of increasing our agricultural production, but as is too often overlooked, we want food for our factories as well as for our people, and nothing we can do can alter the fact that for by far the greater part of our raw materials we are, and must be, dependent upon sea-borne supplies.

19. It is surely for consideration whether in these new and menacing conditions we can leave the mercantile marine in private hands. The responsibility of maintaining it in efficiency and sufficient strength must rest with the Government. If, then, the British mercantile marine is to remain a private venture, it must be brought under a considerable measure of State control. Conditions as to speed, arming, nationality, and number of officers and crews, construction, and possibly submersibility, would have to be imposed—conditions which would make the commercial control of merchant ships exceedingly onerous and difficult. Indeed, it is suggested here that the degree of control necessary would be so great that it would be far better to take complete charge and run merchant ships on behalf of the nation.

20. It is very necessary to refer to the manning of the British mercantile marine as it existed at the outbreak of war. For a number of reasons the profession of seaman is not a very popular one. In spite of the enormous growth in the British mercantile marine the number of British white persons employed in 1912 was just under 209,000, whereas it was over 183,000 as long ago as 1872. In the same time the number of foreign white persons employed had risen from about 20,000 to nearly 31,000, while the number of Lascars and Asiatics had risen from a number which cannot be stated, but which was comparatively small, to 47,000. In 1886, when the first record of Lascars and Asiatics was made, the number was 16,673. These figures are not consistent with the greatest degree of safety for the mercantile marine in time of war. It would appear that in the new conditions of sea warfare which we have to face it would be quite necessary for the Government to determine that the white men employed should be exclusively British, and that the number of Lascars and Asiatics should be reduced. It should also be noted that it will probably be necessary in future to exercise and train ships' crews in gunnery and in other duties which will devolve upon them when war comes. Obviously we can never hope again to start on a great war by clearing the oceans of enemy ships as we did in 1914. That is to say, the outbreak of war with a great Power would place large parts of the British mercantile marine at the disposal of the enemy if it were incapable of defending itself. It is difficult to see how such conditions are compatible with the ownership of British merchant ships in large and small groups by private owners, some of them joint stock companies and some of them private firms.

State Revenue from Shipping.

21. After the war the nation will be in need of a greatly enlarged revenue, and it has become apparent that the State should no longer depend solely, as it has done in the past, upon revenue derived from taxation. We have suffered not a little through this dependence. Germany, by reason of the splendid revenues of her various States, has been able to maintain herself at a much higher status as a world Power than if she had depended upon such revenues as she could derive from taxation. The British mercantile marine affords, in the existing circumstances, an opportunity for the acquisition of great revenue after the war, either by shipping shareholders or by the nation. Which is it to be? The close of the war will find the world's civilisations depleted of stocks of essential materials, and there will be a great call upon the world's tonnage. Freights, although relatively small as compared with the extraordinary figures during the war, will remain high as compared with pre-war figures. The world's shipyards will be exceedingly busy in an attempt to meet the demand for new tonnage to atone for the ravages of the war. Ships, although not worth so much as now, will remain at high values as compared with the pre-war position. In these circumstances, it is suggested that for the British Government to take possession of the British mercantile marine now would be to reap a splendid harvest after the war.
and to obtain the means of liquidating a large proportion of the additional charges arising out of the war.

22. Bearing in mind that the shipowners have paid not one penny in taxation upon the appreciation in market value of their property, it is suggested that it would be equitable for the State to enter into possession of the British Mercantile Marine at a figure based upon the market value of the shipping concerns at the 30th June, 1914, plus 20 per cent. This, it will be perceived, is equivalent to leaving in the shipowners hands a certain proportion of the unearned increment gained through the war. It would be another form of excess profits taxation. It would leave the shipping companies in possession not only of a premium upon their pre-war capital, but of the extraordinary profits in respect of income which have accrued to them after payment of the Excess Profits Duty. (See paragraph 10.)

23. As to any ships now under construction, it may be pointed out that the Government by giving priority to shipbuilding material and labour is in effect giving large sums of money to shipowners. The ships which will be completed during the next six months will be finished under special privileges amounting to a large payment by the nation to the shipowners. The national safety imposes upon the Government the need to push forward the completion of ships, but it is subversive of the public interest that such a course should confer unearned increment upon shipowners. Given a policy of nationalisation, the ships would be taken over from the shipbuilders and added to the national capital.

An Armed Inter-Imperial Shipping System.

24. It is of the utmost importance and value to the United Kingdom and the Empire that a State-owned Inter-Imperial shipping system should be at once established. In the view of the present writer such a scheme is a vital Imperial interest. It is possible to establish between the ports of the British Empire a mercantile marine which would be, in effect, an integral part of the Imperial Navy. The ships could be constructed to give them the maximum of security in war, and they could be manned by properly trained crews. In this connection it is to be remembered that in 1913, the year before the war broke out, imports into the United Kingdom from British possessions were worth 191,500,000, while exports and re-exports from the United Kingdom to British possessions were worth 209,000,000. (There is also, of course, inter-colonial trade.) In the time to come this trade will be doubled or trebled, and, given an Inter-Imperial mercantile marine owned and safeguarded by the Imperial Government, or jointly by the Imperial and Colonial Governments, the sea-connections of this great commerce could be given a degree of security which could not otherwise be obtained.

25. The Inter-Imperial merchant marine suggested would consist of vessels ranking both as warships and as merchant ships. It is perfectly true that in a single vessel there cannot be combined a maximum of advantage for both purposes, but, from the point of view of our fighting forces, the armed merchantmen of the Inter-Imperial mercantile fleet would be exceedingly valuable additions to the Navy as a whole, even while they performed economic functions. The technical development of such vessels would, of course, require the most careful consideration, but even at the beginning they could be made incomparably more useful to the national scheme of defence than privately-owned vessels could possibly be. As to State-owned ships trading to foreign ports, there could be no such development unless by mutual arrangement with our present Allies, and in respect of foreign trading the advantage to the nation would be chiefly on the economic side. Under a national shipping system the mercantile marine would thus consist of two categories of ships:

(a.) Vessels confined to Inter-Imperial trading, and therefore capable of development as war vessels.

(b.) Vessels in the foreign trade. These, although they could not be developed for war as fully as Inter-Imperial ships, could be safeguarded and manned far more effectively than is possible under private ownership.

26. Let us sum up the considerations in favour of real and effective nationalisation:

(a.) As to control, the complete possession of the mercantile marine would, it is contended, enable the Ministry of Shipping, aided by expert advice, which
would certainly be available, to use the nation's ships to the best advantage in the interests of the war. Desirable imports being determined by a thorough examination of the nation's needs, it would only remain to fetch such imports as were desirable, and to take out our exports. Again, it is pointed out that the number of large carrying units involved is fewer than 3,500, so that the problem, considered as one of magnitude, is not really formidable. The time has gone by when ships could be handled to the best advantage by companies or firms controlling a small group of ships.

(b.) As to finance, both now and after the war, the nationalisation of shipping would give to the Government a splendid revenue, which it ought in the national interest to possess. For the present, the ownership of the ships could be used as a means of reasonable war taxation. Freights could be lowered, and yet earn a good dividend on the capital employed.

(c.) As to British shipping after the war, the interest of national security, as well as the need for securing an ample State revenue, suggests the advisability of making the British mercantile marine a national service.

(Initialled) L. C. M.

January 26, 1917.
RESTRICTION OF IMPORTS.

Report of Interdepartmental Committee.

[Previous Paper No. G-105.]
RESTRICTION OF IMPORTS.

The Right Hon. D. Lloyd George, M.P.,
Prime Minister and First Lord of the Treasury.

Sir,

WE were appointed by the War Cabinet on the 21st December, 1916, "to consider and report on the question of the Restriction of Imports." On the 9th January, 1917, we presented a preliminary report (G-105), in which it was shown that we had appointed an Interdepartmental Committee, composed of officials of the different Departments concerned, with instructions to prepare two alternative programmes, one showing a restriction of imports to the amount of 250,000 tons per month, the other showing a restriction rising to 500,000 tons per month.

This Committee, under the chairmanship of Sir Henry Babington Smith, have now completed their investigation, and have presented to us a Report (of which a copy is attached) containing the two programmes for which we asked. In view of the statements made and the advice given by the Shipping Controller in regard to shortage of tonnage, we have deemed it desirable to recommend for general acceptance by the War Cabinet (subject to certain exceptions) the larger scale of restriction, namely, that involving reduction of imports to the amount of 500,000 tons. It seems to us that no smaller programme will either release the shipping or attain the results that are desired.

We have examined the sections of the Report seriatim, and have had the advantage of discussing it in detail with Sir Henry Babington Smith.

Generally speaking, we concur in the recommendations contained in the Report of his Committee. We would like, however, to bring to your notice the following observations with regard to some of the proposals:


In accepting the proposals of the Committee we suggest that the War Cabinet should without delay issue instructions as to:

(a.) Stricter economy in consumption, especially in Government Departments.
(b.) Collection of waste paper to be carried out by, or under the direction of, local authorities.

Section II.—Timber.

With regard to this section of the Report we have considered the advisability of creating a central authority to control timber supplies, and more particularly whether the powers should be vested in:

(a.) The Board of Agriculture.
(b.) A New Department of Timber Controller.
(c.) The War Office.

The main objection to (a) is that the sphere of influence of the Board of Agriculture does not extend to Scotland or Ireland, or to France.

The objections to (b) are those incidental to the creation of yet another Government Department.

The objections to (c) are:

1. The War Office are by far the largest users of timber.
2. Some of the forests in France, which it is proposed to fell, are within the zone of war, and therefore the work must be under the military authorities.
3. The War Office has had wide experience in controlling supplies, e.g., wool and flax.
4. The necessary labour must be in part military.

We therefore recommend to the War Cabinet that:

(a.) A Director of Timber Supplies should be appointed in the War Office.
(b.) He should have an Interdepartmental Committee to assist him.
(c.) The functions of the Home-grown Timber Committee and other existing authorities should be absorbed in the new authority.

[244—5]
With regard to obtaining supplies in France, we understand that there are political difficulties to be overcome, especially in the cases of forests where clear-felling will be necessary. In approaching the French Government it will be advisable, in our opinion, to base the arguments for felling in the main on the congested state of the French ports.

Section III.—Foodstuffs and Feeding-stuffs.

1. Raw Fruit and Vegetables.

We concur in all the recommendations, except in the case of oranges, grapes, bananas, and onions, the importation of which, in each case, we suggest should be reduced by 75 per cent. In some, if not in all, of these cases we may be compelled in the last resort, as the result of protest or negotiation, to accept a smaller reduction. With a view to such eventualities it might be well to have something in hand.

2. Luxuries.

Here, again, we concur in all the recommendations, except as regards wine and brandy, which we recommend should be reduced by 75 per cent. in each case, instead of 50 per cent., partly because of the large stocks existing in this country, partly in deference to the considerations already named; and canned fruits, the imports of which, owing to the fact that they constitute a popular article of consumption with the poorer classes, should, in our opinion, in no case be reduced by more than 50 per cent. of the 1916 imports.

3. Cereals and Feeding-stuffs.

With reference to the paragraphs dealing with brewing materials, we should like to see complete prohibition, but we concur with Sir H. Babington Smith’s Committee in thinking that this may not be practicable. We therefore suggest that the War Cabinet should decide the precise additional reduction, whether 30 per cent. or a larger figure, that can be made (in augmentation of that already in operation) in the output of beer.

Section IV.—Raw Materials and certain other Articles.

Section V.—Manufactures.

Section VI.—Re-exports.

We concur in all the proposed restrictions.

In endorsing the recommendation of Sir Henry Babington Smith’s Committee, we fully realise that the proposed restrictions will raise difficult questions with our Dominions, our Allies, and some of the neutrals, and will, when carried into effect, assail and possibly even for the time being destroy a number of industrial interests in this country and abroad. We feel, however, that in no other way can the available amount of tonnage, now so seriously reduced, be made to meet the necessary demands made upon it.

We are also aware that, in order to prevent speculation and the creation of monopolies in articles that are arbitrarily reduced, it may be necessary to control the prices of various commodities. This matter is referred to in the attached Report, in regard to the prices more particularly of tea, cocoa, and coffee. The question of controlling the price of food is one upon which we did not like to arrive at a conclusion in the absence of the Food Controller, but we are disposed to think that it will be necessary to extend the system over a wider area.

We are, Sir,

Your obedient Servants,

CURZON or KEDLESTON, Chairman.
CHRISTOPHER ADDISON.
A. H. STANLEY.
J. P. MACLAY.
MAURICE DE BUNSEN.
CLEMENT JONES, Secretary.

2, Whitehall Gardens, S.W.,
February 14, 1917.
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TERMS OF REFERENCE.

Committee of Imperial Defence,

2, Whitehall Gardens, London, S.W.,

January 9, 1917.

I AM directed by Lord Curzon to state, for the information of the President of the Board of Trade, that the Restriction of Imports Committee, appointed by the War Cabinet on the 21st December, have decided that it is necessary to set up an Interdepartmental Committee, composed of officers from the different Departments, to examine what articles should be prohibited or restricted.

Lord Curzon's Committee will therefore be glad if the President of the Board of Trade will be kind enough to appoint a representative to serve on the Interdepartmental Committee.

The Committee think that it will be convenient here to state, for the guidance of the Interdepartmental Committee, the following instructions:—

1. The Interdepartmental Committee to draw up two programmes—one showing a restriction of imports to the amount of 250,000 tons per month, the other showing a restriction rising to 500,000 tons per month.

2. The Interdepartmental Committee to be asked to sit de die in diem for a fortnight, or such shorter period as may be sufficient for their investigation.

3. The Interdepartmental Committee to consider what articles are to be restricted, and in what quantities, so as to make up the total amounts shown in 1.

4. The Interdepartmental Committee, upon which the Treasury will be represented, to pay special attention to the exchange aspect of the question.

5. At the end of the examination the Interdepartmental Committee to make a report to Lord Curzon's Committee in the direction above indicated.

A similar letter is being addressed to the Treasury, the Ministry of Munitions, Foreign Office, Colonial Office, India Office, War Office, Admiralty, the Ministry of Food, and the Ministry of Shipping.

I am, Sir,

Your obedient Servant,

CLEMENT JONES.

The Permanent Secretary
of the Board of Trade,
Whitehall, S.W.
MEMBERS OF THE COMMITTEE,

MR. W. H. BEVERIDGE, C.B., Ministry of Food.
MR. C. T. DAVIS, C.M.G., Colonial Office.
MR. R. E. ENTHOVEN, C.I.E., Board of Trade.
MR. C. W. FIELDING, Ministry of Munitions of War.
MR. H. FOUNTAIN, C.B., C.M.G., Board of Trade.
SIR NORMAN HILL, Port and Transit Committee.
MR. L. J. KERSHAW, C.I.E., India Office.
MR. J. M. KEYNES, Treasury.
SIR LEO CHIOZZA MONEY, M.P., Ministry of Shipping.
MR. J. A. SALTER, Admiralty.
SIR H. LLEWELLYN SMITH, K.C.B., Board of Trade.
MR. GRAEME THOMSON, C.B., Admiralty.
The Hon. C. H. TUFTON, C.M.G., Foreign Office.

MR. E. H. S. MARKER, Board of Trade (Secretary).
REPORT OF THE INTERDEPARTMENTAL COMMITTEE ON IMPORT RESTRICTIONS.

TO THE RIGHT HONOURABLE EARL CURZON OF KEDLESTON, K.G., G.C.S.I., G.C.I.E.

My Lord,

WE have the honour to refer to your letter of the 9th January directing us to draw up two programmes, one showing a restriction of imports to the amount of 250,000 tons per month, the other showing a restriction rising to 500,000 tons per month. We were instructed also to pay special attention to the exchange aspect of the question.

The terms of our reference excluded the examination of the data upon which the figures of 250,000 tons and 500,000 tons per month are based. We have, therefore, not enquired as to the extent of the restrictions necessary, or as to the modifications in the situation produced by events which have occurred since the Committee was appointed.

2. The principles which we have endeavoured to apply in detail may be defined as follows:—

(i.) We must continue to import in sufficient quantity all things necessary directly and indirectly for war purposes, in so far as they cannot be produced, or are not already in stock, in this country.

(ii.) We must continue to import in sufficient quantity the necessaries of life for the civil population, in so far as they cannot be produced or are not already in stock in this country, and all things indispensable for the production, manufacture, and distribution of such necessaries.

(iii.) It is very desirable from the point of view of exchange to continue to import the raw material of the manufactures which we export.

(iv.) It is very desirable from the point of view of exchange to exclude manufactured articles which are not indispensable for the above purposes, or which, if indispensable, can be produced in this country.

(v.) Exclusion is specially advantageous from the tonnage point of view in the case of those articles which are heavy (weight being in most cases more important than bulk), especially if they are brought from great distances; from the exchange point of view, in the case of those articles which have a high value, and in particular those which are imported from countries where the exchange problem is specially difficult, as the United States.

(vi.) It is also desirable, for reasons of practical advantage and also of public sentiment both in this and other countries, to exclude articles of luxury, even if their value and tonnage are not large. The import of luxuries, besides leading directly to extravagance in expenditure, makes it more difficult to insist on economy in more necessary articles, and also indisposes Allied and neutral countries to assent to import prohibitions which are injurious to their interests.

3. Even in the case of necessaries, the present rate of consumption leaves in some cases a margin for economy. Whether such economy is possible or not, home products or accumulated stocks should be employed wherever possible in place of imported products, thereby saving tonnage and benefiting exchange. The most important product for such substitution is timber, to which we call particular attention in our Report.

4. In cases where a product is imported from more than one country it is evident that, if port facilities are equal, tonnage is economised if it is brought from the nearer country rather than the more distant one. A similar consideration applies where a product brought from a distant country can be replaced by another product of similar use and equivalent value from a nearer country.

Thus it is clearly advantageous from the tonnage point of view to import wheat from North America rather than from Australia or India, and oleaginous produce from West Africa rather than from Manchuria.

There are, however, other considerations which may tell in the opposite direction.
In particular, considerations of exchange make it desirable to reduce as much as possible the imports from North America. These considerations have an important bearing on some of our recommendations; but as they have recently been fully before the Government in connection with the wheat imports we do not enter into further detail. Important savings of effective tonnage have been, and can be, effected by economy in the length of voyages; but we have not made any allowance for such savings in our estimates.

5. There are important considerations of a different character which limit the application of the principles stated above. Products which, on those principles, it would be desirable to exclude or restrict are, in many cases, imported from countries within the British Empire. Such cases are fruit from Canada, Australia, and South Africa; canned fish from Canada; tea from India and Ceylon; ostrich feathers from South Africa. The Governments interested may raise very natural objections to the injury involved to private interests and to financial strength.

Similar objections are made by the Governments of Allied countries, both in the case of unmanufactured products, such as fruit and marble from Italy, and, particularly, in the case of valuable manufactures, such as silks from France and Japan. It is impossible to deny the cogency of the reasons put forward by these countries, since they are similar to those which compel us to use every effort to maintain our export trade.

Certain undertakings have already been given by His Majesty's Government, both to the Dominions and the Allies; and in the case of France there is a reciprocal arrangement for the free licensing of imports into the one country from the other in cases where a prohibition exists.

We recognise, therefore, that there may be difficulty in securing the whole of the reductions which we recommend, but it is clear that the full reduction required cannot be realised if any large concessions are made. In the case of prohibitions affecting to any serious extent the interests of any of the Dominions or of India, it will be necessary to communicate with the Governments concerned before the prohibitions affecting them are put in force, and similarly with the Allied Governments. How far it will be possible to maintain the full restrictions against the objections which must be anticipated it is not for us to say, but it is essential that action should not be delayed by prolonged negotiation.

6. Similar difficulties arise also in the case of neutral countries. Some can retaliate by stopping the export of products which are indispensable to us (e.g., pyrites, iron ore, quicksilver, and copper from Spain). In other cases the stoppage of manufactures or produce at present sent to us might create valuable supplies for Germany. There are numerous special agreements concluded for the furtherance of the blockade policy or for obtaining necessary supplies, and these in some instances preclude us from stopping particular imports.

Neutral Governments also object if they receive less favourable treatment than Allies as regards admission of their exports, basing their remonstrances either on "most-favoured-nation" treaties or on more general grounds. The result is that concessions made to Allies tie our hands as regards neutrals. For instance, having agreed not to exclude cotton hosiery from Japan, we are unable to exclude the far larger import of similar goods from the United States. These difficulties are serious. We can only recommend that every effort should be made to surmount them.

7. There is one other consideration which limits the action we propose. Regard must be had to the future of valuable trades centred in this country. If the advantage in tonnage or exchange arising from the curtailment of a particular import or the prohibition of a re-export is relatively small, and the future continuance of the trade would be endangered, we think that it should, if possible, be allowed to continue.

II.—PROGRAMME OF RESTRICTION.

8. Having stated the general conditions of the problem, we proceed to tabulate in summary form the restrictions which we recommend in order to produce a total saving of 250,000 or 500,000 tons.

The figure given for "estimated saving" represents in each case the amount by which the average monthly import, when the restriction is fully effective, will fall below the average monthly import in 1916;
### Estimated Saving.

<table>
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<tr>
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<th>For 250,000 Tons</th>
<th>For 500,000 Tons</th>
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<tbody>
<tr>
<td><strong>I.—Existing Prohibitions:</strong></td>
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<td></td>
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<tr>
<td>Paper and paper-making materials</td>
<td>75,000</td>
<td>75,000</td>
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<tr>
<td>Other articles—estimated additional reductions in 1917</td>
<td>30,000</td>
<td>30,000</td>
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<td><strong>II.—Timber:</strong></td>
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<td>Increased home production and economies in use</td>
<td>140,000</td>
<td>140,000</td>
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<td>Use of existing stocks</td>
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<td><strong>III.—Food and Feeding-stuffs:</strong></td>
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<tr>
<td>Raw fruit and vegetables</td>
<td>38,000</td>
<td>38,000</td>
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<td>Do. do. additional restrictions</td>
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<tr>
<td>Luxury foodstuffs and drinks</td>
<td>26,000</td>
<td>26,000</td>
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<tr>
<td>Brewing materials—Saving from restriction already announced</td>
<td>24,000</td>
<td>24,000</td>
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<tr>
<td>Further restriction recommended</td>
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<tr>
<td>Feeding-stuffs</td>
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<td>Reduction of distilling</td>
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<td><strong>IV.—Raw Materials and certain other Articles:</strong></td>
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<td>Jute and leather, boots and shoes</td>
<td>15,000</td>
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<td><strong>V.—Manufactures:</strong></td>
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<tr>
<td>Reduction in articles specified in Report</td>
<td>10,000</td>
<td>10,000</td>
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<td><strong>VI.—Re-exports:</strong></td>
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<tr>
<td>Saving of imports arising from stoppage of re-exports in certain cases</td>
<td>10,000</td>
<td>10,000</td>
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<tr>
<td><strong>Total</strong></td>
<td>355,000</td>
<td>453,000</td>
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Allowance for concessions and substitutions; deduct, say 25,000

Margin to be employed in increasing stocks of cereals, iron ore, &c. 90,000

Increased saving in timber 72,000

Saving to be effected in feeding-stuffs or staple foods 250,000

500,000

It may be estimated that on the exchange side there will be a saving of 95,000,000l. for the lower programme and of 110,000,000l. for the higher programme, without making any allowance for the steps required to save the balance of 72,000 tons.

9. The above figures represent the reduction of imports which will be produced when the restrictions proposed are fully effective. It must be remembered, however, that:

1. A certain amount of time must necessarily be lost in making prohibitions effective, since a quantity of the goods affected are in transit at the time of the prohibition. The exact rule to be applied in such cases should be settled by the licensing authority. It should be as strict as practicable.

2. In many cases, for seasonal or other reasons, the prohibitions will have effect mainly in the latter part of the year.

3. In some cases there will be substitution of articles whose import is not restricted for those which are excluded or restricted.

4. Some delay may be caused by discussions with the Dominions and Allied and neutral Governments.

We also anticipate that some concessions may be unavoidable to meet the objections of those Governments. On this ground, and also to allow for substitution, we have thought it necessary to reduce the above totals by an amount which can only be conjectural, but which we put at 25,000 tons a month.

Moreover, in the limited time available for the examination of an extremely complex subject, it has not been possible for us to consult representatives of the trades affected. Such consultation will be necessary in many cases, and we recognise that some of our recommendations may have to be modified as the result of the more complete information thus obtained.

10. After this deduction has been made there remains a deficiency of 72,000 tons per month, which must be made up in order to reach 500,000 tons. This can, in our opinion, be done most readily by a further saving in timber. The development of home supplies, in the United Kingdom and in France, for pit-timber and for military purposes is, as we explain in the section of our Report which deals with timber, almost entirely a
matter of labour, transport, and organisation, and we believe that the required saving of shipping can be effected in no other way by the employment of so few men. If a sufficient labour force can be supplied, we believe that the saving which we had estimated at 200,000 tons could be increased by a further 50,000 tons per month, or even more.

11. If, however, the labour or transport required for this purpose cannot be made available, it will be necessary to have recourse to foodstuffs. The above totals have been reached without reducing the supply of staple foods and feeding-stuffs. They represent, as regards food, the cutting off or reduction of items which, though in many cases useful, cannot be regarded as in any sense indispensable, or as contributing materially to the maintenance and efficiency of the population.

In order to reach the larger total required, it will be necessary to restrict not merely non-essential but essential foods or feeding-stuffs. The dangers attending any such proposals are obvious. It is a matter primarily for the Food Controller and the Agricultural Departments, who, we understand, are giving full consideration to this aspect of the question.

12. The lower scheme of restrictions which we have formulated gives a total saving of 330,000 tons per month after making the same allowance as in the higher scheme for delays, concessions, substitutions, &c. There is thus a margin of 20,000 tons over the figure of 250,000 tons which was indicated in our instructions. If it is decided that the tonnage available permits the adoption of the lower scheme, we strongly recommend that this margin should be used, not for admitting some of the articles which we propose to exclude, but for accumulating additional stocks of the most necessary articles, such as grain and iron-ore, with a view to future contingencies.

ANNEX I.—SUMMARY OF RECOMMENDATIONS.

Section I.—Existing Prohibitions.

 Imports as a whole to be reduced to 50,000 tons a month. Estimated saving 57,000 tons a month and 8,000,000/ a year.
 Printed posters and other printed or coated papers, as well as paper-hangings, to be altogether excluded. Importation of foreign printed matter, including books, newspapers, magazines, periodicals, &c., except for single copies through the post, should cease, subject to the granting of licences in exceptional cases. Other measures:
  1. The size of posters to be restricted.
  2. The use of paper for contents bills, catalogues, or other advertising purposes to be restricted.
  3. Priority for Government requirements and the needs of certain important export trades.
  4. Steps to be taken for enforcing economy in consumption by Government Departments and others.
  5. Further efforts to be made for collecting waste paper.

(B.) Other Prohibitions.
 Licensing to be restricted so far as possible. A further saving will result from the fact that the restrictions were not in force or fully operative throughout the whole of 1916. Total estimated saving 30,000 tons a month and 8,000,000/, a year.

Section II.—Timber.

The following measures are recommended:

1. Steps to secure economy in use by—
   (a.) Cabinet instruction;
   (b.) Restriction on use of timber for civilian purposes;
   (c.) Salvage, especially in France.
2. That steps be taken to increase the supply of home-grown timber, both in the United Kingdom and in France.

For the above purposes it is essential that a single strong authority should be set up in close relation to the military authorities; meanwhile, importation of timber of all kinds to be placed on the prohibited list and licensed.

Estimated saving 200,000 tons a month and 15,000,000, a year in value.
Section III.—\textit{Foodstuffs and Feeding-stuffs.}

1. \textit{Raw Fruit and Vegetables.}

The following to be prohibited and 50 per cent. licensed:—

- Apples,
- Oranges (except bitter oranges),
- Grapes,
- Bananas,
- Almonds and nuts,
- Onions,
- Tomatoes.

The following to be prohibited absolutely:—

- Other raw fruit (but not vegetables).

The following to be prohibited absolutely if imports as a whole are reduced by 500,000 tons a month:—

- Apples,
- Bananas,
- Tomatoes.

[Note.—The produce of the Channel Islands is to be regarded in every case as exempted from prohibitions.]

Estimated saving 38,000 tons a month and 8,500,000\$ a year, or with maximum restriction 52,000 tons a month and 12,000,000\$ a year.

2. \textit{Food "Luxuries."}

Import of the following articles to be prohibited and importation to be regulated as shown below:—

- Aerated, mineral, and table waters: Exclude absolutely except for medicinal purposes.
- Canned salmon and lobster: License 50 per cent., supplies being drawn from Canada and the United States in proportion to pre-war imports.
- Coffee: Exclude absolutely, but allow re-export from stock.
- Raw cocoa: Exclude absolutely, and license half British-grown cocoa.
- Preparations of cocoa: Exclude absolutely.
- Articles of food containing sugar (for definition see Report): Exclude absolutely.
- Tea: Exclude foreign absolutely, and restrict Indian and Ceylon tea as shown in Report.
- Wine: License 50 per cent. of 1913 imports.
- Brandy: License 50 per cent. of 1913 imports.
- Rum: Exclude absolutely.

Estimated saving 25,500 tons a month and 24,000,000\$ a year.

Tobacco: Arrangement with the British American Tobacco Company to be reconsidered.

Fruits—canned, bottled, and preserved: Already prohibited. Exclude absolutely if maximum reduction is enforced, otherwise license 50 per cent.

3. \textit{Cereals and Foodstuffs.}

(a) \textit{Brewing.}

New restriction will secure additional net saving of 24,000 tons a month; if maximum restriction is to be enforced this is insufficient, and we recommend further restriction, which will yield a total saving of at least 48,000 tons a month.

Estimated saving on exchange 8,500,000\$, or 7,000,000\$ a year, as the case may be.

Further recommendations:

(i) Sugar used for brewing to be excluded absolutely.
(ii) Restrictions to be placed on carriage of beer barrels over railways.

(b) \textit{The Meat Supply.}

It is pointed out that a large additional saving in imports both of meat and of feeding-stuffs could be secured by consuming more home-grown meat.

\[244-5\]
(c.) Wasteful Importation of Feeding-stuffs.
Importation of soya beans to be prohibited absolutely.
It is recommended generally that oleaginous nuts and kernels be brought from sources as near home as possible, especially from West Africa.
Estimated savings about 5,000 tons a month.

Section IV.—Raw Materials and Certain other Articles.

Cotton.—The export of raw cotton from this country to all destinations to be prohibited. (It is anticipated that this action will tend to encourage direct shipments from Egypt to America.)

Jute.—Shipment from India during present year to be reduced to 60,000 tons; the situation to be re-examined in July if stocks are getting too low.
Estimated net saving 12,000 tons a month, or 4,500,000£ a year.

Hides and Leather.—
1. Prohibit importation of leather, and admit only the amount of tanned kips required for military purposes.
2. Prohibit importation of hides, and license only wet and dry hides suitable for military purposes. (It is estimated that 28,000 tons of wet and 52,000 tons of dry hides will be sufficient to provide for military and essential civilian requirements.)
3. Prohibit export and re-export of hides and leather to all destinations.
4. Prohibit importation of certain light leathers (chiefly skins) and license only for export trade or essential civilian requirements.
5. Prohibit importation of leather boots and shoes and materials required therefor, as well as grindery, except under licence (for details see Report).
Estimated saving 3,000 tons a month and 8,000,000£ annually.

Section V.—Manufactures.

(1.) Bulk Articles.
Wood manufactures: Already prohibited. Reduce to 50 per cent. of 1916 imports, but license articles necessary for industry.
Glass bottles: Prohibit and reduce by at least 50 per cent.
Painters' colours and pigments: Prohibit and license two-thirds.
Marble: Already prohibited, but licences have been given for 50 per cent. of 1915 imports. Exclude absolutely.

It is recommended that tenants and landlords be released during the war from covenants respecting painting; that the requirements of the Factory Acts on the subject be suspended; and that a licence from the local authority be required for external painting.
Strict economy in the use of paint is further recommended.
Estimated monthly saving 6,750 tons, or 1,300,000£ a year.

(2.) Articles important primarily in connection with Exchange.
(a.) Prohibitions mainly affecting Neutrals.
It is recommended that the following articles be prohibited:—
Embroidery and needlework
Clocks and parts
Photographic apparatus
Incandescent gas mantles
Cinematograph films
Typewriters and parts: Exclude complete typewriters absolutely, and license 50 per cent. of parts.
Sewing machines and parts: Already prohibited. Reduce to 25 per cent. of 1916 imports.
Gilt mouldings for picture frames: Already prohibited. Increase stringency of prohibition.
Plated and gilt wares: Prohibit specifically.
Estimated monthly saving 500 tons and 5,000,000£ annually.
Prohibitions largely affecting Allies.

It is recommended that the following articles be prohibited:

Fresh flowers
Ornamental feathers and down—
Ostrich feathers (South Africa)
Other sorts (France)
Manufactures of skins and furs
Manufactures of silk (not including silk yarn): License 20 per cent.
Apparel: Partly prohibited; should be entirely prohibited.
Cotton—
Hosiery
Gloves
Lace and articles thereof
Fancy goods (Paris goods)
Artificial flowers
Hats and bonnets
Leather gloves
Pictures, prints, engravings, photographs, and maps
Works of art other than pictures
Curios
Perfumery
Plaiting of straw
Antimony wares
Baskets and basketware of bamboo
Cloisonné wares
Mats and matting of rush
Laquered wares: Already prohibited—extend prohibition to cover Japanese goods.

Estimated saving 1,600 tons a month and 19,000,000£ a year.

Miscellaneous.

Cotton yarn and cotton textiles
Cutlery, hardware, implements, and tools
Machine tools

Already prohibited; restrict licensing as far as possible.

It is estimated that after allowing for tare the total saving in respect of new prohibitions on articles in this section will be not less than 10,000 tons a month; the saving in exchange would be about 25,000,000£ a year.

Section VI.—Re-exports.

It is recommended that there should be no restriction on the re-export trade as such, though restriction will inevitably result from the conditions affecting particular articles. The saving estimated to result from these causes is 10,000 tons a month.

Annex II.—Articles not to be excluded.

The following articles have been considered by us, and we recommend that their importation should not at present be restricted, or that any restriction to which they may be subject should not at present be increased for reasons of tonnage:

Food and Drink—
Grain and flour of all kinds
Meat
Butter
Cheese
Eggs
Fish, other than canned salmon and lobsters
Oranges, bitter
Lemons
Raw vegetables, other than onions and tomatoes
Dried currants
Food and Drink—(continued)—
Lard.
Margarine.
Oils, refined.
Spices.
Chicory.
Sugar, other than for brewing.
Glucose.
Molasses.
Saccharine.
Condensed milk.

Raw Materials—
Coal, coke, and manufactured fuel.
Iron ore, scrap iron, and steel.
Other metallic ores.
Cotton, raw.
Wool, raw, and waste.
Flax, dressed and undressed, tow, or codilla.
Hemp, dressed or undressed, tow, or codilla.
Vegetable substances, unenumerated, applicable to the same uses as flax or hemp.
Silk, raw, also knobs or husks of silk and waste, and waste noils.
Oil seeds, nuts and kernels, except soya beans.
Oils, animal, vegetable, and mineral of all kinds.
Tallow.
Gums.
Rosin.
Skins and furs, undressed.
Asphalt.
Bristles.
Gutta percha.
Hair, animal (not wool).
Ivory, animal.
Manures.
Piassava fibre.
Rubber.
Sand.
Seeds, clover and grass.

Articles wholly or mainly manufactured—
*Metals of all kinds and manufactures thereof.
*Instruments and apparatus, scientific.
Watches and parts (other than of gold).
*Electrical goods and apparatus.
*Machinery (other than typewriters and sewing machines and parts thereof).
Silk, thrown, dyed, or not dyed.
Spun silk yarn, dyed or not dyed.
Jute manufactures.
†Linens yarn and manufactures.
Boots and shoes of rubber.
Chemicals, drugs, dyes, and colours, except certain tanning substances, and painters' colours and pigments.
Machinery belting of leather.
Rubber tyres.
Cordage, cables, ropes, and twine of hemp, coir, or like material.
Glue, size, and gelatine.
Oil-seed cake.
Paraffin wax.
Skins and furs, dressed.
Starch, dextrine, and farina, or potato flour.

* Except such as are commercially known as "hardware."
† But see paragraph 141.
RESTRICTION OF IMPORTS.

Detailed Report.

[Note.—The figures contained in the Official Trade Returns of the United Kingdom, which have been issued since the outbreak of war, include all imports of foodstuffs on Government account; but they do not include similar imports of other commodities which were on importation declared as imported on Government account.]

SECTION I.—EXISTING PROHIBITIONS.

(A.)—PAPER AND PAPER-MAKING MATERIALS.

13. PAPER and paper-making materials are already on the Prohibited Import List, the prohibition being administered by the Royal Commission on Paper. During the last ten months of 1916 imports of these articles were reduced by one-third of the imports during 1914.

The imports in the last three years were as follows:—

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1914</td>
<td>1,798,000</td>
</tr>
<tr>
<td>1915</td>
<td>1,693,000</td>
</tr>
<tr>
<td>1916</td>
<td>1,281,000</td>
</tr>
</tbody>
</table>

14. In Appendix III to this Report there is printed a letter addressed to the President of the Board of Trade by the Chairman of the Commission, in which it is suggested that it would be possible during 1917 to make a further reduction over the 1916 imports of 50 per cent, in respect of packing and wrapping paper, strawboard, millboard, and wood-pulp boxes, boxes and cartons of paper and cardboard; and of 33½ per cent, in respect of other descriptions of paper and paper-making materials.

The Commission estimate that the imports of paper and paper-making materials during the year beginning 1st March, 1917, would on this basis not exceed 720,000 tons: this being equivalent to 40 per cent. of the imports in the calendar year 1914.

In other words, the average monthly import when the prohibition is fully effective will amount to 60,000 tons, as compared with an average monthly import during 1916 of 107,000 tons—a saving of 47,000 tons a month.

The Commission represent that the carrying out of the above proposals would involve a considerable amount of hardship, especially for proprietors of newspapers, periodicals, and magazines, who have during 1916 drawn largely on their stocks. We gather that these users are responsible for about one-half of the total consumption of paper in the country.

15. We consider, however, that it is necessary to go beyond the measure proposed by the Commission, and that imports of paper and paper-making materials as a whole should be reduced to about one-third of the imports during 1914, that is, to an average amount of 50,000 tons per month, giving a further saving of 10,000 tons per month or 57,000 tons per month in all. The saving in exchange would be about £8,000,000 a year. As further restriction on packing and wrapping paper and paper board may be impracticable in view of their increasing use for munition and other essential purposes, the additional saving will have to be effected mainly at the expense of printing and writing paper and paper-making materials. This result should be obtained by abandoning the preferential treatment, as regards further reductions, proposed for these latter categories by the Royal Commission.

The above proposals will render necessary large economies in the use of paper for newspapers, periodicals, advertising, &c. We represent strongly that such economies will have a valuable effect not only in the saving of tonnage, but also as a clear indication to other interests which will suffer from the reductions proposed, and to our Allies that the strictest economy is being exercised. In this connection we attach great importance to the restrictions on the use of paper which we recommend below.

[244-5]
We have included the whole of the reduction which we recommend in the smaller programme as well as in the larger, not only for these reasons, but also because we understand that it is important both to the Royal Commission and to the trade not to be left in any doubt as to the extent of the restriction which will be imposed.

16. Some of our members are in favour of a still larger reduction in this import; and if the situation should require a restriction of even more than 500,000 tons per month we all agree that a further reduction would have to be made.

17. In order to safeguard interests in the United Kingdom against competition from foreign printers, which in the new circumstances would be manifestly unfair, we recommend the total prohibition of the importation of printed posters, and other printed or coated papers, as well as paper-hangings. The importation of foreign printed matter, including books, newspapers, magazines, periodicals, &c., except for single copies sent through the post, should cease, subject to the granting of licences in exceptional cases. The additional saving likely to result from this proposal is inconsiderable, and would amount to only about 100 tons a month.

18. We consider that the adoption of the measures outlined below would make for economy in the consumption of paper, and thus to some extent mitigate the incidence of a further restriction. We accordingly recommend their adoption, in so far as may be possible, but we must leave their consideration in detail to the departments concerned.

1. The posting after a specified date on hoardings and elsewhere of posters of more than a certain size (say a single sheet of defined size) should be prohibited, as well as the combination or multiplication of posters of the authorised size on one and the same hoarding.

2. The use of contents bills and of paper for catalogues or other advertising purposes should be prohibited or restricted so far as practicable.

3. It would be desirable, if possible, to institute a priority system, which would secure the supply of paper for Government requirements and the needs of certain important export trades.

4. Further steps should be taken to enforce economy in the consumption of paper, both by Government Departments and by others.

5. Increased efforts should be made to organise the collection of waste paper, though labour difficulties are involved. The pressure of reduced supplies of raw material will no doubt operate automatically in this direction, as well as in increasing the use of materials produced in this country.

(B.)—OTHER ARTICLES ALREADY ON THE PROHIBITED IMPORT LIST.

19. Besides paper and paper-making materials, a considerable number of articles, of which a list is appended to this Report (Appendix IV), are already actually on the Prohibited List, or are held to be covered by existing prohibitions. The administration of most of these prohibitions is in the hands of the Import Restrictions Department of the Board of Trade.

The various prohibitions are referred to in different parts of this Report, but any additional saving recommended in respect of them has not been taken into account in estimating the reduction in imports possible in each section as a result of new prohibitions.

It is estimated that existing prohibitions will yield a saving of about 30,000 tons a month during 1917, as compared with 1916, partly because the prohibitions were either not in force or not fully operative throughout the whole of last year, and partly because it may in some cases be possible to increase their stringency. The saving in exchange may be estimated roughly at about 8,000,000L per annum.

SECTION II.—TIMBER.

20. We consider that questions affecting timber are of vital importance in connection with any proposals having in view a large reduction of imports.

The imports of timber amount to more than 6,000,000 tons per annum. There is plenty of timber in the woods of the United Kingdom and France to supply all needs, military and civil, for several years, if it can be extracted. If one-half only of the imported timber were replaced by home-grown timber, the relief of tonnage would amount to 250,000 tons per month.
There is no other import of large volume which can be reduced and replaced by a home product without delay, without privation, with benefit to exchange, without serious injury of any kind, and with so little expenditure of labour.

The extraction of the timber is a question of (a) labour; (b) transport; (c) organisation; and in order that the questions of labour and transport may be solved, it is essential that a suitable organisation should be created for dealing with the whole question. We indicate below the nature of the organisation which we suggest. We consider its creation a matter of extreme urgency.

The imports of soft timber into the United Kingdom in 1916 (Board of Trade Returns) were:

<table>
<thead>
<tr>
<th>Soft Woods</th>
<th>Amount</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hewn wood</td>
<td>213,000</td>
<td>£2,251,000</td>
</tr>
<tr>
<td>Pit-wood</td>
<td>2,921,000</td>
<td>£6,908,000</td>
</tr>
<tr>
<td>Sawn wood</td>
<td>3,080,000</td>
<td>£27,748,000</td>
</tr>
<tr>
<td>Sleepers and staves</td>
<td>402,000</td>
<td>£412,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,229,000</td>
<td>£39,029,000</td>
</tr>
</tbody>
</table>

* Elsewhere in this report quantities are given in tons. We have therefore thought it convenient in dealing with timber to convert loads and standards into their approximate equivalents in tons—the load being treated as equivalent to 1 ton and the standard to 3 tons.

21. The imports of furniture and hard woods are already controlled, and amounted in 1916 to 89,000 tons only.

We deal separately with the questions of—

(A.)—Soft timber generally.

(B.)—Pit-wood.

(A.)—SOFT TIMBER GENERALLY.

22. The requirements of soft timber for 1917 are at present estimated as follows:

<table>
<thead>
<tr>
<th>Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>War Office</td>
</tr>
<tr>
<td>Ministry of Munitions</td>
</tr>
<tr>
<td>Admiralty</td>
</tr>
<tr>
<td>Other Government Departments</td>
</tr>
<tr>
<td>Indirect war and essential civil requirements</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Omitting pit-props, the imports for the year 1916 (as given in the Board of Trade Returns) were 4,208,000. To this figure should be added—

- Imports direct to France for war purposes 375,000
- Imports into this country for direct Government account (not included in Board of Trade Returns) 240,000

**Total** 4,823,000

1 Since this estimate was furnished we are informed that increased demands have been received from the Commander-in-Chief in France, which, if continued throughout the year, will involve an addition of about 600,000 tons to this figure.

23. Apart from the imports, the Home-grown Timber Committee have produced approximately 150,000 tons during the year for war purposes. It follows that the import, together with the home-grown supply, was about 550,000 tons in excess of the estimated requirements for 1917.

24. From a census which has just been taken it appears that the stock of timber in the hands of merchants is at present approximately 1,800,000 tons, and, on a very rough estimate, the amount in the hands of firms consuming timber is put at 1,200,000 tons.

From these figures it appears that there are in the country roughly eight months' supplies, but a considerable proportion of this stock would probably be unsuitable for military purposes, and the figures may to some extent be misleading as applied to the needs of the Army and the Ministry of Munitions.
Large stocks are, moreover, needed in the country in the beginning of the year to tide over the closed water season. Owing to the closing by ice of the St. Lawrence, the White Sea, and the Northern Scandinavian ports, the imports of timber during the first six months of the year are only about one-third of the year's supplies. Consequently the dangerous months, from the point of view of supplies, are about the middle of the year, and if reduction in tonnage is to be effected it ought to be in the latter months of the year. This is particularly important in view of the possibility that very large additional quantities may be needed for the spring offensive. Even on present demands the War Timber Commission are experiencing the greatest difficulty in meeting requirements, and are being forced to draw upon stocks in the country.

The difficulty of arriving at any definite conclusions as to the extent to which the import of timber could be restricted in safety is intensified by the fact that there is no available estimate of the amount of timber required for indirect war work, and for other indispensable purposes. Almost every trade requires timber in some shape or form, and it is necessary that supplies should be available for innumerable purposes having only an indirect connection with war work, but at the same time essential for the production of supplies and for the maintenance of the export trade.

The consumption before the war was about 4,500,000 tons per annum, of which it is estimated that one-fifth was supplied from the United Kingdom. It has now fallen, partly in consequence of the reduced output of coal, to 3,500,000 tons in 1916—of which over 2 million tons were imported, mainly from France and Scandinavia.

The Board of Agriculture, as the result of special enquiries, estimate that the woods of the United Kingdom contain pit-wood sufficient for one and a half years' complete supply on the pre-war scale, without trenching seriously upon the capital of the woods.

If these supplies can be made available in increased quantities a very large reduction can be effected in the quantity imported.

(B.)—Pit Timber.

The means for bringing about large reductions in the imports of timber appear to be:

1. Measures for securing economy in its use, both for war and civil purposes.
2. Measures for increasing the supply of home-grown timber, both in the United Kingdom and in France.

(i.) Measures Recommended.

Our recommendations under this head are as follows:

1. We suggest that a Cabinet instruction, on the lines of the annexed draft (see Annex at the end of this Section), be issued to the War Department, the Ministry of Munitions, and other Departments, enjoining the very strictest economy in the use of all timber, and the employment of home-grown timber, where possible, in place of imported timber.
2. We recommend also that measures be taken to restrict the use of timber for civil purposes—building, packing of goods, &c. We do not make detailed recommendations as to the means by which this could be done, since for that purpose consultation with the trade would be required. If our recommendations as to a special authority to deal with timber are accepted, it would be the duty of that authority to consider and execute the necessary measures.
3. One important element in economy is the salvage, return, and re-use of packing cases of all kinds, cartridge boxes, shell cases, &c, which have been sent to France. The difficulties are doubtless great, but the importance of overcoming them is obvious when it is pointed out that every ton of wood returned from France saves the import of a ton from Scandinavia or Russia, and, in addition, economises the labour required for the manufacture of the boxes, cases, &c.

(b.) Measures for Increasing the Supply of Home-grown Timber.

We believe that the supply of timber from the United Kingdom and from France can be greatly increased.
31. **Present Position.**—We have no information as to the amount of timber supplied from French forests, or as to the amount of timber supplied for civil purposes from the woods of the United Kingdom.

Timber to the amount of 150,000 tons was supplied from the United Kingdom for military purposes by the Home-grown Timber Committee during 1916.

That Committee is now supplying 24,000 tons per month of sawn timber from England and Scotland, the number of men employed for this purpose being about 3,500 (British, 1,000; Canadian, 1,900; prisoners of war, 600). The amount of labour is being increased, and the Committee expects to produce 450,000 tons in 1917.

32. In considering how the British supply of timber of all kinds can be increased, the first question is that of labour. The supply from existing sources should be increased in every way possible. We understand that there is difficulty in obtaining large numbers of lumbermen from Canada. Some attempts have been made to draw from other countries, such as Portugal. These should be continued, and other countries might be tried—for instance, Newfoundland, Australia, and New Zealand.

In addition, we suggest that soldiers of the Home Defence army should be employed in wood cutting. Their employment in dock work is, we understand, very successful, and does not interfere with their military value. For much of the work, especially for pit-wood, skilled labour is not necessary.

33. The second question is transport. The railways are congested, and coasting vessels are hardly obtainable for sea transport. The question is also complicated by the fact that the pit-props can most conveniently be conveyed to the pits in empty wagons which have conveyed coal from the pits, and that these may not be available at the sources of wood supply. We have ascertained, however, that the railways could undertake to convey an additional 10,000 tons a week of pit-props, and perhaps more, to the mines.

If the necessary labour is found for cutting this amount of pit timber and placing it on the rail the imports can immediately be reduced by 320,000 tons per annum.

The chief obstacle to the increase of the supply by private enterprise of home-grown pit timber (apart from scarcity of labour) is the high cost of transport by rail. Special rates have already been conceded; but we recommend that the question of further reductions, and of an extension of flat rates, be considered by the Board of Trade and the railway authorities, with the special object of bringing forward home supplies.

34. The third question is sawing machinery. The difficulty of obtaining machinery may cause delay in increasing the supply of sawn timber; but it need not influence the increase of pit timber.

35. We understand that the Home-grown Timber Committee have not experienced difficulty in finding woods suitable for their operations; but if any difficulty should be found, we recommend that compulsory powers be exercised. We also recommend that full publicity be given to the necessity, in the public interest, of an increased home supply.

Similar considerations apply to the development of the supply of timber in France. We are informed that steps are being taken to increase largely the number of Canadians employed there, and we recommend strongly that this policy should be pursued with the greatest possible energy.

There are large areas of forest close behind the front of the armies in France; but hitherto the French Forest Department has not allowed cutting to take place in these forests except in accordance with their regular scheme. If a clear cut were permitted the work would be much more rapid and the supplies of timber from the forests which are conveniently situated much larger. We recommend that the French Government should be urged to allow unrestricted cutting in the forests nearest the front, even though this may sacrifice their future for a certain number of years. Increased supplies of timber from this source are the most useful of all, since they will not only release tonnage, but will relieve the congestion of the French ports and railways.

36. Although it is not possible with safety to make any large reductions in the imports of timber during the spring months, we consider that it is desirable to bring the imports under control with a view to reductions in future. For this purpose we recommend that the imports of all kinds of timber should be prohibited, but that for the present they should be freely licensed. It is undesirable to set up a licensing system if it can be avoided, but we believe that it will be indispensable in the near future, and that any disadvantage caused by setting it up before it is absolutely required will be more than compensated by the advantage of having the machinery in operation when restriction begins.
(ii.) Authority to Control Timber.

37. At present the following authorities deal with the timber question in its various aspects:

1. The Commander-in-Chief in France controls the military uses of timber in France, the arrangements for obtaining and transporting timber from certain of the French forests, and the salvage and dispatch homewards of used boxes, cases, &c.

2. The War Timber Commission, representing the Office of Works, the War Office, the Ministry of Munitions, the Admiralty, and the French and Belgian military authorities, is responsible for the supply of imported timber to France and its allotment to the forces of the respective countries.

3. The Office of Works is responsible for the purchase of timber to meet the demands of the War Timber Commission.

4. The Transport Department of the Admiralty is responsible for finding tonnage to convey timber purchased abroad for military purposes to the United Kingdom or to France, and also to convey timber from the United Kingdom to France.

5. The Home-grown Timber Committee (appointed by the Board of Agriculture) is responsible for increasing the supply of home-grown timber for military purposes. Its operations are at present mainly in the United Kingdom, but a large extension of its operations in France is also being arranged for.

6. The supply of pit-props for coal mines has been dealt with by the Board of Trade and the Board of Agriculture, and also in part by the Coal Mines Committee under the Home Office. It would naturally fall within the province of the Coal Controller if it is decided to appoint one.

38. At present no authority has been charged with exercising any check either upon the importation or the consumption of timber.

39. It appears to us that, in order to carry out a vigorous policy of developing home supplies and economising consumption, it is essential that the greater part of the functions described above should be concentrated in a single authority. The work of this authority would fall into three main branches:

1. The purchase and supply of timber for military requirements, including those of the Ministry of Munitions, and for other Government Departments.

2. The control and licensing of imports and the utilisation of existing stocks, and the restrictions to be imposed on the use of timber in the United Kingdom.

3. The development of home supplies for military purposes, for pit timber, for sleepers, and for general civil use.

40. It should also keep in view the question of reconstituting forests and safeguarding the future interests of forestry in this country.

41. The authority should be constituted in such a manner as to enable it to take strong and rapid action; and in order that it may operate without friction, it should be in close relation to the military authorities.

Whether it is desirable to create an independent authority, with a Controller of Ministerial rank, or to attach the authority for its relation with the Cabinet and Parliament to one of the existing Departments, is a question beyond our competence. In any case, it is essential that the authority should have great independence of action.

(iii.) Results.

42. We estimate as follows the reductions which can be effected in the various ways recommended:

<table>
<thead>
<tr>
<th>Item</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of 1916 imports and home production over requirements of 1917</td>
<td>550,000</td>
</tr>
<tr>
<td>Increase in supplies from French forests for military purposes</td>
<td>300,000</td>
</tr>
<tr>
<td>Increase of production in United Kingdom for military purposes</td>
<td>500,000</td>
</tr>
<tr>
<td>Increase in production in United Kingdom of pit-props</td>
<td>500,000</td>
</tr>
<tr>
<td>Supplies drawn from stocks in United Kingdom (one-quarter of stock)</td>
<td>750,000</td>
</tr>
<tr>
<td>Economies in use, military and civil (say, 5 per cent of estimated requirements)</td>
<td>220,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,870,000</strong></td>
</tr>
</tbody>
</table>

(Say, 200,000 tons per month.)
These figures are necessarily conjectural; but we are convinced that if the policy which we have indicated is pursued with energy and determination they can be realised, and probably exceeded.

If special steps in the direction we have indicated are not taken, the saving would probably not exceed 100,000 tons per month.

ANNEX TO SECTION II.

Draft Cabinet Instruction on Economy in Use of Timber.

The necessity for largely diminishing the import of timber into this country has become urgent. Steps must be taken at once to restrict the use of timber as far as may be compatible with the efficiency of the public service. There is reason to believe that greater economy can be exercised in future both in the number of new buildings and in their method of construction as well as in the use of timber in works of every kind. Rigid economy should be enforced in connection with the making of all manufactured articles involving the use of timber, and the general work of internal furnishing of huts, factories, and workshops.

The attention of the chiefs of all Government Departments who are concerned with the use of timber is drawn to these points, and they are requested to see that the following instructions are carried out:—

1. No new building work involving the use of timber should be undertaken unless its urgency is strictly proved.
2. Concrete, brick, or other suitable materials should be used as far as possible in substitution for wood.
3. Temporary buildings should not be erected unless no existing buildings can be found suitable for the purpose in view.
4. Home-produced materials, such as fibre board, baskets, bags and the like, should be used whenever possible instead of wood and tin-plate in the manufacture of packing boxes, cases and crates for munitions and stores. Where the use of wood is unavoidable, it must be employed in the most economical way possible as regards both quantity and quality. The method of making the boxes, &c., should be such as to ensure the least amount of damage in opening, and to enable them to be taken to pieces and packed flat for return so that they may be used several times.
5. Where the use of wood is essential, every effort must be made to utilise home-grown supplies instead of imported timber.
6. Heads of Departments should report within one month the steps taken to give effect to the foregoing instructions, and should furnish an estimate of the saving which they consider will be made.

With the same aim of economy in view, the Commander-in-Chief in France should be requested to give the necessary instructions for ensuring the adoption of the most economical method of employing timber in trenches at the front and in all work connected with the armies in the field, and for the return, whenever possible, of all wooden cases and ammunition boxes.

SECTION III.—FOODSTUFFS AND FEEDING-STUFFS.

43. We have examined the question how far it is possible to economise tonnage by curtailing the import of foodstuffs and feeding-stuffs, and we submit recommendations which, if carried into effect, would produce a considerable saving. In framing these proposals we have had the benefit of expert advice from the Departments of State concerned, and also from the Royal Commissions on the sugar and wheat supplies. The present proposals would imply some important changes in the habits of consumption, especially as regards beer, fresh fruit, and canned provisions; but we believe that they could be carried out without injury to the health and efficiency of the nation. It would be necessary to take measures for ensuring more even distribution of some articles, and in some cases control of price would be essential; but it would not be necessary to institute a general system of control of consumption. If it is found that a much larger reduction of imports is inevitable, we believe the imports of foodstuffs and of feeding-stuffs could be further cut down without allowing the supplies to fall below the minimum required for health and efficiency; but this could hardly be done without instituting a general system of control in respect of some of the most important foods.
The recommendations in this Section are divided under four main heads, according to the articles with which they deal:

1. Raw fruit and vegetables and dried fruit;
2. Articles of a less essential nature, generally dutiable, which partake more of the nature of "luxuries," and may be so described for want of a better term;
3. Cereals, meat, and feeding-stuffs;
4. Sugar.

(i.) RAW FRUIT AND VEGETABLES.

44. We are of opinion that it would not be practicable to effect a large reduction in imports as a whole unless severe restrictions are imposed on imports of raw fruit and vegetables, over a million tons of which are imported annually.

Imported fruit is of course available at the season when there is no home-grown fruit, and large quantities, especially of bananas and oranges, are consumed by the working classes. Fruit possesses a diétetic value; but its actual nutritive value is small compared with its bulk.

Similarly, vegetables, other than potatoes, on which we propose no restriction, have only a low nutritive value. Onions are, however, largely used for seasoning, and at a time when variety of diet will necessarily be restricted, their total exclusion might entail real hardship on the people, especially the poorer classes. In the case of tomatoes there is less objection to exclusion. Other vegetables classed as "Unenumerated" in the Monthly Trade Accounts (value £233,000 in 1916) do not bulk large, and comprise mostly fresh vegetables brought into the country without any considerable waste of cargo space. Unless for reasons of policy it is thought desirable to exclude articles of luxury, such, for instance, as asparagus, we should not recommend any restriction on the last-named class of vegetables.

45. It will be apparent that raw fruit and vegetables (except potatoes) cannot be regarded as staples in the same degree as wheat, meat, or even sugar; and it would in our opinion be difficult to justify restrictions on essential articles, should circumstances eventually require such action, unless the commodities now under consideration had first been dealt with.

46. We understand that hitherto action such as that now contemplated has been impracticable for three principal reasons:

1. An undertaking has been given to the self-governing Dominions that no prohibition will be imposed on their produce. The undertaking was given in circumstances different from those now prevailing, and we consider that steps should be taken to secure a release from it. Apples are the only fruit seriously affected, being imported largely from Canada. Whilst we should welcome an arrangement which, wherever possible, admitted colonial but excluded foreign fruit, there would, we understand, be reason in that case to fear retaliation from the United States of America, retaliation which it would be unwise to risk at the present moment. As regards apples from Australia, a tonnage arrangement has been effected which will automatically secure a reduction in their importation. It should be pointed out that there is a small import of certain other varieties of fruit, notably, pears, grapes, and peaches, from the Dominions.

2. There is an understanding with France and Italy that the importation of their produce will either not be prohibited or will be licensed freely. That understanding is of greater importance in connection with manufactured articles. In connection with fruit and vegetables neither France nor Italy is likely to be much affected. France would be affected only by prohibition on vegetables and on certain classes of raw fruit, such as plums, pears, cherries, currants, and the like, which congest the railways and should certainly be excluded. Italy would be affected principally by a prohibition on lemons, nuts, and oranges. We understand that no large quantity of Italian oranges will be available this year for consumption in the United Kingdom, as a large part of the crop has passed into Germany. Such quantity as remains could no doubt be utilised by the army in France. Lemons possess a quasi-medicinal value, and are imported almost wholly from Italy. In the circumstances we do not recommend any restriction.

3. The most serious difficulties are likely to be experienced with Spain, on which country we are dependent for important raw materials necessary for the prosecution of the war. Any restriction on her fruit and vegetables, not arranged by mutual consent,
might expose us to retaliation, and we therefore recommend that negotiations should be commenced at once. The utilisation of idle tonnage in Spanish ports would naturally form an important element in such negotiations. The matter is most urgent, since the shipping season for oranges, which ends in May, has already begun.

In 1915 the proportions of the principal fruits and vegetables imported into the United Kingdom which were shipped from Spain (and the Canary Islands) were as follows: oranges 95 per cent., grapes 73 per cent., bananas 34 per cent., almonds and nuts 23 per cent., onions 60 per cent., and tomatoes 62 per cent.

It is probable that freight difficulties will in any case effect a very large reduction in the imports of Spanish oranges. As regards onions, it is understood that the War Office are contemplating considerable purchases, the intention being to supply the forces from Salonica from Egypt and the forces in France from Italy and Spain. In the latter case the produce would be transported by rail direct. It is thus probable that imports into the United Kingdom will automatically fall to 50 per cent. of last year's total. The fact that for domestic reasons Spain has been obliged to prohibit the export of potatoes might be used as a counter in any conversations between the Governments.

47. For reasons already stated, we consider it essential that the diplomatic difficulties which have hitherto hampered our actions should be overcome. Subject to this qualification, we recommend that the following articles should be placed on the list of prohibited imports, the prohibition, however, not to extend to the produce of the Channel Islands:

- Raw fruit, not including lemons, but including almonds and other nuts used as fruit.
- Onions.
- Tomatoes.

48. The policy as regards licensing imports should conform with the following recommendations, the imports for 1916 being taken as the standard on which the proposed reductions should be based. Produce purchased by His Majesty's Government in neutral European countries for the purpose of restricting the supplies of the enemy should of course be admitted under licence; but it is desirable that such purchases should, wherever possible, be included in the total amount of a given article allowed to be imported into the United Kingdom in a given period, so that the total volume of imports of that article allowed may not be exceeded.

49. 

- **Apples.** —To be reduced by 50 per cent., unless it should prove necessary to cut down imports as a whole by 500,000 tons per month, in which case the prohibition should be absolute. As the shipping season from the United States of America and Canada is the autumn and winter, this restriction will not have much effect before next autumn. It may be noted that we import normally 43 per cent. of our apples from the United States of America, 38 per cent. from Canada, and 11 per cent. from Australia.

- **Grapes.** —To be reduced by 50 per cent.; Grapes are imported mainly from Spain and Portugal.

- **Bananas** to be reduced by 50 per cent., unless it should prove necessary to cut down imports as a whole by 500,000 tons per month, in which case the prohibition should be absolute. Only a very small proportion (7 per cent.) comes from British Possessions, 84 per cent. being obtained from the Canary Islands and the balance from Central America. Imports are fairly constant all the year round, but the highest point is reached in July-August and the lowest in December-January.

- **Almonds and other Nuts used as Fruit.** —Nuts possess some nutritive value, and we recommend only a 50 per cent. reduction.
55. **Onions** to be reduced by 50 per cent. The bulk comes from Spain (60 per cent.) and Egypt (30 per cent.). The normal import from Holland has decreased considerably, but it is understood that purchases are being made by His Majesty's Government for the purpose of restricting the supplies available for enemy consumption. The main shipping season is during the autumn and winter months.

56. **Tomatoes.**—Imports other than from the Channel Islands to be reduced by 50 per cent, unless it should prove necessary to cut down imports as a whole by 500,000 tons per month, in which case they should be stopped altogether. The Channel Islands supply normally about one-third and Spain and the Canary Islands more than one-half of the tomatoes imported into the United Kingdom. The largest imports are in the months of July, August, and September.

57. It may be estimated that the above recommendations, if carried into effect, will yield a saving in the ensuing twelve months of 38,000 tons per month, or, should it be necessary to enforce the maximum restriction, of 52,000 tons per month. The saving in value over a twelve months’ period would be from 8,500,000 to 12,000,000L. The subjoined statement indicates the distribution of the saving:

<table>
<thead>
<tr>
<th>Article</th>
<th>Tons.</th>
<th>£</th>
<th>Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apples</td>
<td>133,000</td>
<td>2,740,000</td>
<td>5,000 (or 11,000 tons)</td>
</tr>
<tr>
<td>Oranges (except bitter)</td>
<td>294,000</td>
<td>3,000,000</td>
<td>11,200 (or 12,600 tons)</td>
</tr>
<tr>
<td>Grapes</td>
<td>40,000</td>
<td>1,000,000</td>
<td>1,600</td>
</tr>
<tr>
<td>Bananas</td>
<td>152,000</td>
<td>2,600,000</td>
<td>6,800</td>
</tr>
<tr>
<td>Almonds and nuts</td>
<td>36,000</td>
<td>2,200,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Other fruits (raw)</td>
<td>30,000</td>
<td>2,000,000</td>
<td>2,500</td>
</tr>
<tr>
<td>Onions</td>
<td>32,000</td>
<td>1,900,000</td>
<td>2,300 (or 4,500 tons)</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>152,000</td>
<td>2,210,000</td>
<td>6,300 (or 12,600 tons)</td>
</tr>
<tr>
<td>Total</td>
<td>933,000</td>
<td>15,660,000</td>
<td>38,000 (or 52,000 tons).</td>
</tr>
</tbody>
</table>

(Note.—Allowance has been made for imports of grapes and tomatoes from the Channel Islands, which have not been included in the estimates of tonnage and value saved. Imports of other articles from the Channel Islands are negligible.)

58. **Dried Fruits.**—The existing prohibition on the import of dried fruits does not cover dried dates, and currants have been specifically exempted. As dried fruits have a high food value and do not occupy much cargo space, we do not recommend any alteration either in the existing prohibition or in the arrangements by which certain quantities of prohibited fruits are admitted under licence.

(ii.) “Luxuries.”

59. In view of the tonnage stringency we consider that imports of certain commodities which are in the nature of luxuries, and possess no nutritive advantages commensurate with their bulk or their value, should be drastically curtailed. In the case of tea, coffee, and cocoa, which can hardly be regarded as “luxuries,” our recommendations are mainly based on the large stocks which already exist in the country.

60. **Aerated and Mineral Waters and Table Waters** come mostly from France. We recommend that the importation of all such waters, whether dutiable or not, be totally prohibited, unless it can be shown that they are required for clearly medicinal purposes. A saving of about 100 tons a month would thus probably be ensured.

61. **Canned Salmon and Lobster** are imported principally from the United States of America and Canada. There is a small but growing import of canned salmon from Japan. Both articles, although used mainly by the poorer classes, possess a small nutritive value in proportion to their bulk and cost.

We recommend that imports of canned salmon and lobster be reduced to 50 per cent. of the imports for 1916, supplies being drawn from Canada and the United States in proportion to the pre-war imports from each of those countries. The gross saving monthly would be about 3,000 tons. The net saving will, however, be less, since other foods will take the place of those excluded, and may be estimated at half that figure.
62. *Coffee.*—(Imports in 1916, 82,000 tons.) There are about five years' stocks in the country. Import should be totally prohibited, and a saving of some 7,000 tons a month thus secured. Re-exports (24,000 tons in 1916) should be allowed from stocks in the United Kingdom for reasons of exchange. 2,000 tons are sent monthly to Holland for Belgian relief.

63. *Cocoa, Raw.*—There is rather more than a year's stock at present in the country. Imports in 1916 reached 88,000 tons (60,000 tons from British Possessions; 28,000 from other countries), having doubled since 1914, when they were 42,000 tons. We recommend that the import of all foreign-grown cocoa, and 50 per cent. of British-grown cocoa be prohibited; 5,000 tons a month would thus be saved. We understand that a certain amount of cocoa beans are sent to Holland for the production of cocoa powder and cocoa butter. This arrangement, and also the Swiss ration of cocoa, should be reconsidered.

64. *Preparations of Cocoa* (mainly from Switzerland and Netherlands) should be prohibited absolutely—a saving of 1,000 tons a month—provided arrangements can be made for reducing the Swiss rations of cocoa, sugar, and other materials.

65. *Articles of Food containing Sugar.*—(Imports in 1916, 11,800 tons.) We recommend the exclusion of articles, described in the Monthly Trade Accounts, as "confectionery (except chocolate confectionery)" and "other articles of food containing sugar." The saving will be about 1,000 tons per month.

66. *Tea.*—The figures for 1916 are—

<table>
<thead>
<tr>
<th></th>
<th>Imports</th>
<th>Re-exports</th>
<th>Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons</td>
<td>Tons</td>
<td>Tons</td>
</tr>
<tr>
<td>Indian and Ceylon tea</td>
<td>143,774</td>
<td>21,038</td>
<td>56,000-58,000</td>
</tr>
<tr>
<td>Other tea (China and Java mainly)</td>
<td>24,695</td>
<td>6,731</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>168,469</td>
<td>27,769</td>
<td>56,000-58,000</td>
</tr>
</tbody>
</table>

We do not suggest that consumption in this country should be reduced, having regard especially to the restrictions on brewing; but a reduction of imports can be secured by drawing upon stocks, which amount to four and a-half months' consumption, and by restricting re-exports.

We recommend—

(a.) The total prohibition of the import of foreign tea—a reduction of 2,000 tons a month;

(b.) A reduction of the import of Indian and Ceylon tea from 143,750 to 120,000 tons (about 17 per cent.)—giving a further saving of 2,000 a month; and

(c.) Prohibition of re-exports and licences only in cases where economy of tonnage is secured (say, 8,000 tons).

The result of these recommendations would be a total saving of 4,000 tons a month.

The restriction can, we think, be most conveniently enforced by regulation of exports in India and Ceylon. The tonnage allowed should be allotted in the proportion of 70 per cent. to India and 30 per cent. to Ceylon. The amounts purchased by the War Office in India and Ceylon (estimated to amount to 22,000 tons this year) should be reckoned as forming part of the 120,000 tons allowed.

Some hardship will be caused to growers, since tea cannot be stored in India; but in any case they would probably be unable to secure tonnage for the whole of the crop.

67. It will be necessary to control the prices of tea, cocoa, and coffee, in order to prevent speculation and large rises in price.

*In 1916 8,700 tons, or 244,000Z. in value, comprised caramel, solid and liquid, chutney, preserved ginger, &c.*
68. Wine.—(Imports in 1916, 45,900 tons). The stocks in bond in this country amount to about eight months' consumption. There are also, no doubt, considerable stocks out of bond, in private cellars and elsewhere. We recommend that importation be reduced by 50 per cent, as a whole of the imports for 1913. A saving would thus be effected of about 2,000 tons monthly. The largest imports are from France and Portugal, and there may be complaints from the growers, but purchases need not be reduced to the same extent as imports, as the wine can be stored in the country where it is produced. The reduction of 50 per cent, can also be supported by the consideration that brewing in the United Kingdom has now been reduced to 50 per cent, of the pre-war supply.

69. Spirits.—The stock of brandy represents more than two years' consumption. We recommend that its importation be reduced to 50 per cent, of the import for 1913. As regards rum, it is estimated that the army consumes about 1,000,000 gallons per annum, or about one-tenth of the total import in 1916. We recommend that, in view of the large stocks now in the country (representing about four years' consumption), the importation of rum be prohibited absolutely, all purchases for the Army and Navy to be made from stock. The saving effected per month would approximately be 500 tons in the case of brandy, and 3,400 tons in the case of rum.

70. Altogether the above recommendations would yield a saving of some 25,500 tons in weight per month, and about 24,000,000£ in value per annum. They are summarised below:

<table>
<thead>
<tr>
<th>Items</th>
<th>Estimated Imports in 1916</th>
<th>Estimated Monthly Saving</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerated, mineral, and table waters</td>
<td>2,000</td>
<td>200</td>
</tr>
<tr>
<td>Canned salmon and lobsters</td>
<td>72,400</td>
<td>6,900</td>
</tr>
<tr>
<td>Coffee</td>
<td>82,400</td>
<td>8,900</td>
</tr>
<tr>
<td>Cocoa</td>
<td>88,200</td>
<td>10,000</td>
</tr>
<tr>
<td>Preparations of cocoa</td>
<td>3,500</td>
<td>300</td>
</tr>
<tr>
<td>Confectionery (except chocolate confectionery)</td>
<td>8,500</td>
<td>800</td>
</tr>
<tr>
<td>Other articles of food containing sugar</td>
<td>168,800</td>
<td>17,780,000</td>
</tr>
<tr>
<td>Tea</td>
<td>45,700</td>
<td>4,500</td>
</tr>
<tr>
<td>Wine</td>
<td>41,100</td>
<td>4,120,000</td>
</tr>
<tr>
<td>Brandy</td>
<td>10,800</td>
<td>1,000</td>
</tr>
<tr>
<td>Rum</td>
<td>41,100</td>
<td>4,120,000</td>
</tr>
<tr>
<td>Total</td>
<td>535,900</td>
<td>53,500</td>
</tr>
</tbody>
</table>

71. The above estimate does not include articles already on the prohibited import list, imports of which during 1916 were as follows:

<table>
<thead>
<tr>
<th>Items</th>
<th>Estimated Imports in 1916</th>
<th>Estimated Monthly Saving</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit, canned, bottled, and preserved</td>
<td>45,400</td>
<td>1,820,000</td>
</tr>
<tr>
<td>Tobacco</td>
<td>75,700</td>
<td>7,380,000</td>
</tr>
<tr>
<td>Hops</td>
<td>7,400</td>
<td>710,000</td>
</tr>
<tr>
<td>Total</td>
<td>128,500</td>
<td>9,920,000</td>
</tr>
</tbody>
</table>

The tightening of the prohibitions will probably result in some further saving.

72. As regards tobacco we understand that there is an arrangement with the British American Tobacco Company whereby they are allowed 20,000 tons of imports, so long as imports by other persons do not exceed 24,000 tons. In consideration of this arrangement, the Company bring to this country, in neutral ships controlled by them, which previously did not trade with Allied countries, some 60,000 tons of general cargo. We recommend that the consideration of the Shipping Controller that this arrangement should be terminated unless the Company's allowance of tobacco imports can be reduced to 10,000 tons, the imports by other persons being correspondingly reduced.
73. Imports of canned, bottled, and preserved fruits should be reduced by one-half of the 1916 imports, if imports as a whole are to be reduced by 500,000 tons per month, and stopped altogether if a reduction of 500,000 tons per month is necessary.

(iii.) Cereals and Feeding-Stuffs.

74. Any proposal actually to reduce the amount of these essential supplies available for human and animal consumption stands of course on a different footing from the recommendations already discussed. As already stated, such a proposal would almost certainly involve a systematic control of consumption, and though we would by no means exclude the possibility of making such a proposal later, we are not in a position to do so at the moment.

While, for instance, the measures already taken in regard to the milling of wheat and the composition of bread will allow a saving of the first instance of 5 per cent. of the wheat imported (23,000 tons a month), with probably another 5 per cent. later, we have not taken this saving into account in our present recommendations, pending further enquiry as to the extent to which this saving must be offset by increased importation of feeding-stuffs to make good the loss of wheat offals.

Any increase in the home production of cereals and other foods will, of course, render possible a corresponding diminution of imports. It is impossible, however, to estimate what may be the effect of the measures taken with this object, and we do not allow for any reduction on this account.

75. Apart from actual reduction of supplies or substitution of home products, it appears that saving could certainly or possibly be effected in the quantities of imported cereals or feeding-stuffs by measures having for their object the curtailment of certain relatively wasteful uses, as follows:

(a.) By restricting the brewing industry;
(b.) By modifying to some extent the existing policy in regard to the slaughter of home-grown cattle;
(c.) By the substitution of feeding-stuffs having a high food value in relation to their bulk for those with a low value;
(d.) By obtaining alcohol and acetone for explosives otherwise than from the distillation of certain foodstuffs.

(A.)—Brewing Materials.

76. We estimate that if the use of brewing materials were entirely stopped it would be possible to realise, as a saving of tonnage, substantially the whole of the volume of brewers' materials which would otherwise be used. This saving, on the basis of the Output of Beer Restriction Act, which was designed to secure a reduction in the amount of beer brewed to 28,000,000 standard barrels in the year ending the 31st March, 1917, would amount to 985,000 tons a year, or 82,000 tons a month.*

Any reduction of the volume of brewing less than total prohibition would bring about a proportionate saving of imports, i.e., a reduction of brewing by 30 per cent. on the figure permitted under the Output of Beer Restriction Act (the reduction now announced by the Government) will produce a monthly saving of about 24,000 tons. If imports have to be reduced by as much as 500,000 tons per month, it will be necessary to stop brewing altogether, or if that be decided to be impracticable, to reduce it to a lower figure than that now authorised. It is probable that a great part of the malting necessary for the production of beer has already been completed for the coming season. Accordingly, if further restriction is decided upon, immediate steps would have to be taken to stop malting altogether. Even so, the full effect of such action could not be felt until the autumn.

77. We understand from the Royal Commission on the Sugar Supply that sugar used for brewing purposes is of low-grade quality, and that there are large stocks at present in the country which are finding their way into trades into which they ought not properly to enter. We therefore recommend a total exclusion of the import of sugar of the description in question until the stocks are nearly consumed.

78. A great waste of transport power is caused by the carriage of beer on the railways. Barrels are bulky, and different brewers will not use each other's barrels, so that each barrel which is sent out from the brewery full makes a return journey as an empty. Beer is often sent to distant places; instances have been cited of the supply of

* The mode of arriving at this figure is shown fully in Appendix I to this Report.
beer from Scotland to places in the south-west of England. This contributes to the congestion on the railways, and so reacts upon imports, since our ability to import depends largely on the number of voyages ships are able to complete during the year, and therefore on the efficiency of the ports and of the railways behind them. Moreover, if the railways were free from congestion, the use of home materials in place of imported materials (such as timber) would be facilitated, with double benefit from the point of view of tonnage and of exchange. We therefore recommend that the transport of barrels of beer over long distances should be severely restricted, either by prohibition or by heavy freight charges. This would be in accordance with the policy of the War Office, who have taken steps to secure that troops shall, as far as possible, be supplied from breweries in the vicinity.


79. The increased slaughter of cattle, sheep, and pigs in the United Kingdom would afford a saving in two directions:—

1. It would temporarily, at any rate, enable us to import less meat from abroad; and
2. It would afford an even greater relief in regard to the importation of feeding-stuffs.

The numbers of cattle in the United Kingdom in 1916 showed an appreciable increase (amounting to 267,000, or over 2 per cent. of the total number for 1914). It is clear that the possibility of reversing this process of increase, and gradually encroaching upon our capital of cattle, must be contemplated as a measure available for dealing with real stringency in regard to food supplies.

80. It has further been suggested to us that direct economies in the production of meat could be effected, both by killing at an earlier age and by shortening the average period of fattening.

81. All these proposals raise problems of agricultural policy with which we are not competent to deal, and we make no recommendation at the moment.

82. Poultry and Game.—Imports are small, and probably fill space which would otherwise not be filled. We do not recommend any prohibition unless it is considered desirable for reasons of exchange.

(C.) Wasteful Importation of Feeding-stuffs.

83. The imports for 1916 included 189,000 tons of offals of corn and grain, including rice meal. It appears to us that it should be possible to replace these imports by imports of other feeding-stuffs possessing a higher nutritive value in proportion to their bulk. If this were done it might prove possible to effect a considerable saving of tonnage without affecting in any way the actual supply of feeding-stuffs in this country. The matter should be considered further by the Food Controller and the Board of Agriculture.

84. Our attention has been called to the importation of soya beans (65,000 tons, value 960,000L) in 1916 largely for the manufacture of feeding-stuffs, this product yielding a somewhat smaller proportion of oil than other oleaginous seeds and kernels. Soya beans are imported from the Far East, and their properties do not appear to be more valuable than those of analogous products. Whilst we recognise that it is impossible to place any restriction on the amount of oil seeds imported as a whole, we consider that, for the purpose of economising tonnage, they should be brought from sources nearer at hand than the Far East (especially from West Africa), and we accordingly recommend that the importation of soya beans be prohibited.

85. It is difficult to estimate what the net saving under this head is likely to be, but it may amount in all to, say, 5,000 tons a month.

(D.) Distilling Materials.

86. Alcohol and acetone are largely used in the manufacture of explosives. The distilleries now employed in producing alcohol and acetone for this purpose consume about 50,000 tons per month of grain and molasses.

Many of the distilleries produce yeast as well as alcohol. The yeast is necessary for bread-making, and no alternative method of producing it has yet been devised.
The alcohol distilleries which produce yeast must therefore continue, but the alcohol distilleries which do not produce yeast might be shut down if the alcohol which they produce, amounting to 1,319,000 proof gallons per month, could be provided otherwise.

87. It is suggested that this alcohol might be provided from the very large stocks of proof spirit in bond in this country, employing, of course, the youngest spirit for the purpose. The objection to this course is the cost. The additional expense resulting from this method of supply would depend upon the price at which the spirit in bond was taken over by the Government. It might amount to as much as 8,000,000L per annum. The saving in material would be 2,000 tons of grain and 10,000 tons of molasses per month.

88. It has also been suggested that, if the import of rum is prohibited, the West Indian distilleries might be used for producing alcohol instead of rum. We do not know if they can be easily adapted for this purpose, but it appears to us that if, on further examination, this measure is found to be practicable, it should be adopted as part of the larger programme.

(iv.) The Sugar Supply.

89. The Food Controller has stated that a supply on the basis of 1 lb. of sugar per week per head of the population would be sufficient for all reasonable needs, if it were possible to ensure an even distribution. This would permit of some reduction in the amount at present going into consumption, but we do not allow for any saving of tonnage, since it is probably desirable to increase stocks.

(v.) Summary.

90. From the recommendations in this Section it may be estimated that there would result a saving of about 92,500 tons, or if it was decided to reduce imports as a whole by 500,000 tons, of 130,500 tons a month, made up as follows:

<table>
<thead>
<tr>
<th></th>
<th>For Minimum Reduction</th>
<th>For Maximum Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw fruit and vegetables</td>
<td>38,000</td>
<td>52,000</td>
</tr>
<tr>
<td>&quot; Luxury&quot; goods</td>
<td>25,500</td>
<td>25,500</td>
</tr>
<tr>
<td>Brewing materials</td>
<td>24,000</td>
<td>48,000</td>
</tr>
<tr>
<td>Wasteful feeding-stuffs (say)</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Total</td>
<td>92,500</td>
<td>130,500</td>
</tr>
</tbody>
</table>

On the exchange side there would be an annual saving of from 8,500,000L to 12,000,000L in respect of raw fruit and vegetables, of 24,000,000L in respect of "luxury" goods, and of from 3,500,000L to 7,000,000L in respect of brewing materials. In other words, the saving would amount to about 36,000,000L for the minimum and about 43,000,000L for the maximum reduction in imports. No allowance is made for any financial saving in regard to feeding-stuffs.

SECTION IV.—RAW MATERIALS AND CERTAIN OTHER ARTICLES.

(i.) Cotton.

91. The import of raw cotton represents a very large tonnage, 959,000 tons in 1916, the value being 85,000,000L. Raw cotton was re-exported to the amount of 106,000 tons, the principal re-export being that of Egyptian cotton to the United States. Of the remainder it is estimated that one-fifth only is consumed in a manufactured state in this country. The export trade is of very great value, having amounted in 1916 to 118,000,000L. It is of primary importance from the exchange point of view that this trade should be maintained in full volume.

A reduction of the import of raw cotton would be desirable if arrangements could be made to secure either that it should have its effect in a reduction of stocks, or that any reduction of manufacture should apply to articles for home consumption, and not to those for export. The problem is, however, one of extreme delicacy, since any measures taken with these objects might cause great disturbance affecting vast interests.
We recommend that the matter should be further considered, but we are not prepared to make any recommendations for present action.

Any economies in home consumption would be an unmixed advantage, except so far as cotton goods were replaced by woollen or other materials. We suggest that reductions should be effected as far as possible, either by arrangements with the trade, as to the priority of manufacture as between the export and home trade, or in connection with the supply of labour, or by direct appeal to the public.

There would be a substantial saving in tonnage and in voyages through dangerous waters, and also relief to the ports in this country, if Egyptian cotton were shipped direct to the United States of America instead of being re-exported from this country. This would use tonnage which at present goes to America from the Eastern Mediterranean in ballast, and would release tonnage which could be used for bringing ore to this country. The stocks in the United States of America are large, and there are also considerable stocks in this country.

We recommend that all export of raw cotton should be prohibited and licensed only to the extent necessary for supplying Holland, Prussia, and other Allied or friendly countries. The export to America should not be licensed. The result will probably be to cause a fall in the price of Egyptian cotton, which is at present excessively high. This may cause some dissatisfaction to those Egyptian cultivators who are still holding their crop; but they will probably still be able to sell at a much higher price than the normal.

We estimate the net saving of tonnage at 2,500 tons per month, this amount being included in the total of 10,000 tons under the head of Re-exports.

(ii.) JUTE.

Imports of raw jute are wholly derived from British India. The average annual import in the three years 1914–1916 was 290,000 tons, the re-export having amounted to 86,000 tons. The amount retained and consumed in the United Kingdom is, therefore, approximately 200,000 tons per annum. In 1916 imports amounted to 238,000 tons, and re-exports to 78,000 tons.

Jute is essentially not an article of luxury, but is necessary in the form of bags and canvas wrappings for the carriage of many foodstuffs; it is very important in connection with the export trade, especially in textiles. With a reduced import of timber, jute may be substituted for it to some extent for packing purposes.

We recommend, accordingly, that shipment from India for consumption in this country should be reduced during the present year to 60,000 tons, the shipments being spread over this period as follows:

<table>
<thead>
<tr>
<th>Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>February to July .. .. .. .. .. 30,000</td>
</tr>
<tr>
<td>August to December .. .. .. .. .. 30,000</td>
</tr>
</tbody>
</table>

The situation should be examined afresh in July, and if it appears that stocks are getting too low it may be necessary to increase the allowance in the second half of the year.

The re-exports of jute from this country were in the past made up very largely of exports to the North of France. Stocks in that country are abnormally low; but as we understand that France is now obtaining supplies by direct shipment from Calcutta, and as Italy, Spain, and the United States of America are also obtaining supplies direct, the re-export trade has been reduced very considerably. With reduced imports, re-exports on any large scale would be undesirable, but we do not suggest that licensing for re-export should be altogether discontinued, as it is convenient to re-export to Scandinavia and Holland in limited quantities under control.

We would further suggest that the distribution of unsold stocks and of future imports on private account (if any) should be controlled by the War Office in consultation with the Board of Trade, in accordance with a scheme which has been drawn up by the former Department.

If no allowance is made for re-exports, the above proposals would effect a saving of import of 15,000 tons a month. But as some re-export will be unavoidable, and as the allowance for home use may have to be increased, we estimate the net saving at 12,000 tons a month only.

Imports of jute manufactures during 1916 amounted to about 100,000 tons, of which some 23,000 tons were re-exported principally to Canada, the United States, and
Argentina. It is doubtful whether the cessation of re-export would result in any ultimate saving of tonnage, and we are not prepared to recommend any prohibition on the importation of these manufactures.

(iii.) Hemp.

100. We have carefully considered the possibility of reducing the imports into this country of raw hemp and manufactures of hemp (162,000 tons in 1916). In view, however, of the importance of that article for military purposes and for essential needs (e.g., rope for ships and binder twine), restriction would not, in our opinion, yield results proportionate to the administrative labour involved. There is a considerable re-export trade, which amounted to 39,000 tons in 1916. Half of this was sent to France and the remainder to Dominions and Allies. The prohibition of re-export would not result in any important saving of tonnage, since much of the hemp is required for essential purposes, and would be imported direct.

Some saving of tonnage might be effected by importing larger quantities from nearer sources, i.e., by importing more Italian and Russian hemp, if supplies are available, and less Manila hemp. This should be kept in view in the allotment of tonnage.

(iv.) Wool.

101. According to a recent census stocks of wool in this country are low, and in view of the heavy demands for military requirements it is not desirable to attempt any restriction of import.

The War Office exercises control over the trade, and we understand that arrangements have been made whereby such supplies of wool as may be available after military requirements have been satisfied will be used, so far as practicable, for manufacturing goods for export. Manufacture for internal consumption is to be severely restricted to essential needs.

(v.) Hides and Leather.

102. The imports of hides and leather in 1916 were as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wet hides</td>
<td>38,500</td>
</tr>
<tr>
<td>Dry hides</td>
<td>30,000</td>
</tr>
<tr>
<td>Undressed leather (including tanned kips)</td>
<td>51,000</td>
</tr>
<tr>
<td>Total (say)</td>
<td>119,500</td>
</tr>
</tbody>
</table>

This import has provided the supplies of leather necessary for military purposes, and also those for indirect military and civil use and for the export trade. In addition, there have been re-exports of hides and leather to the extent of 15,000 tons.

103. The military requirements for 1917 can, we are informed, be met by the following imports:

<table>
<thead>
<tr>
<th>Item</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wet hides</td>
<td>28,000</td>
</tr>
<tr>
<td>Dry hides</td>
<td>52,000</td>
</tr>
<tr>
<td>Tanned kips</td>
<td>15,000</td>
</tr>
<tr>
<td>Total</td>
<td>95,000</td>
</tr>
</tbody>
</table>

The above import, after supplying military needs, will provide almost exactly the same amount of leather for indirect military and civilian purposes as in 1916, but the re-export of 15,000 tons would not be provided for.

104. The net result as regards imported tonnage of hides and leather will be a reduction from 119,000 to 93,000 tons, that is to say, a saving of 26,000 tons. This is produced by a reduction of 37,000 tons in the import of leather and an increase of 11,000 tons in the imports of hides.

105. Our recommendations are:

1. Prohibition of the import of leather and exclusion of all leather, except the 13,000 tons of tanned kips needed to provide for military requirements.
2. Prohibition of the import of hides and licensing of the amounts required, viz., 28,000 tons wet hides and 52,000 tons dry hides.
3. Prohibition of the export and re-export of hides and leather.

Although it is proposed to increase the imports of hides by 11,000 tons, the prohibition of importation would be necessary in order to enable the War Office to regulate the import of the various classes of hides in accordance with military needs.

We do not recommend any prohibition on the importation of goat skins, sheep skins, and rabbit skins (dressed or undressed). Imports of calf skins are unimportant.
In addition to the supplies of hides and leather from hides dealt with above, other leathers, chiefly skins, were imported in 1916, as follows:

<table>
<thead>
<tr>
<th>Leather Type</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Box calf</td>
<td>1,100</td>
</tr>
<tr>
<td>Glace kid</td>
<td>2,600</td>
</tr>
<tr>
<td>Varnished, japanned, &amp;c.</td>
<td>500</td>
</tr>
<tr>
<td>Unenumerated</td>
<td>5,300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,500</td>
</tr>
</tbody>
</table>

We recommend that these classes of leather should be prohibited and licensed, so far as required for export trade, or for essential civilian requirements.

It is very desirable that any reduction in supplies resulting from the above recommendations should have its effect in the reduction of home consumption and not of export trade. This result can, we think, be best attained by arrangements with the trade.

We understand that if, as we recommend below, the import of American boots is prohibited, there will probably be an immediate reduction in the manufacture of "luxury" boots.

The above recommendations will result in a reduction of imports by about 2,500 tons a month in weight, and in value by about 7,000,000£ per annum.

Boots and Shoes.

Although boots and shoes are more properly dealt with under the head of manufactures, it is convenient to consider them here in connection with leather.

In 1916 there were imported about 3,300,000 pairs (about 3,000 tons) of boots and shoes, of which about 60 per cent. came from the United States. The other chief countries that supply the United Kingdom are Switzerland and France. The imports amounted in value to about 1,200,000£.

There were exported in 1916 some 16,000,000 pairs, valued at 6,400,000£, but this figure includes a proportion of military boots for Allied Governments.

Whilst a substantial proportion of the output of those factories in England and Scotland which produce men's boots will be required for the Allied armies, few factories producing women's and children's boots have been taken over by the War Office. It should also be remembered that, as regards men now in the army, a military demand replaces a former civilian demand.

It should, therefore, be possible to prohibit import without producing a shortage of necessary boots and shoes for the civilian population even after maintaining the export trade at something like its present level.

It has been shown that women can perform most of the necessary operations in the industry, and a further depletion of male labour would probably result in the increased employment of women.

Should there be a serious rise in the price of boots for essential civilian purposes, e.g., for munitions workers, it would be possible for the War Department to secure production at reasonable prices.

We recommend that the importation of boots and shoes of leather be totally prohibited, thus securing a saving of 250 tons a month, and over 1,000,000£ a year.

Partly-manufactured Materials for Boots and Shoes.

We have been dependent on a number of imported articles, such as cut or shaped leather; eyelets and hooks; knives, blades, groovers, and cutters; nails and pins to fit American machines; needles and drivers; pegwood; rivets and nails; teaks; wood shanks. The total weight of these articles was about twice that of the complete boots and shoes imported.

The above articles are already on the Prohibited List under various heads, but it has not been possible to exclude them. We recommend that the existing policy be continued, but that there should, wherever practical, be increased stringency. Leather parts should be totally excluded, with the exception of rolled welts for Italian boots and other supplies necessary for military purposes. The total saving is not likely to exceed 250 tons per month.
(vi.) MINERAL OILS.

114. Imports in 1916 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrol</td>
<td>534,000</td>
</tr>
<tr>
<td>Lamp oil</td>
<td>461,000</td>
</tr>
<tr>
<td>Lubricants</td>
<td>327,000</td>
</tr>
<tr>
<td>Total</td>
<td>1,327,000</td>
</tr>
</tbody>
</table>

The above figures include imports on direct Government account.

Economies in the use of petrol have already been effected by the action of the Petrol Committee, and also of the military authorities. We have not examined in detail the question of further economies in petrol, or in other classes of mineral oil consumption.

115. We recommend that all possible economies should be enforced both in civilian use and also in use by "privileged persons," as well as in consumption for military and naval purposes. We do not attempt to form any estimate of the extent to which such economy is possible; and, as stocks are low, we consider that every economy, for the present at any rate, should be used, not to reduce import, but to increase stocks.

(vii.) SUMMARY.

116. It may be estimated that the recommendations in this Section will effect the following reduction in imports:

<table>
<thead>
<tr>
<th>Article</th>
<th>Saving in Imports.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons per Month.</td>
</tr>
<tr>
<td></td>
<td>Value per Annum.</td>
</tr>
<tr>
<td></td>
<td>Tons.</td>
</tr>
<tr>
<td>Raw jute</td>
<td>12,000</td>
</tr>
<tr>
<td>Hides and leather</td>
<td>2,500</td>
</tr>
<tr>
<td>Boots and shoes and partly manufactured</td>
<td>500</td>
</tr>
<tr>
<td>materials for boots and shoes</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15,000</td>
</tr>
<tr>
<td></td>
<td>13,000,000</td>
</tr>
</tbody>
</table>

SECTION V.—MANUFACTURES.

117. We have examined the possibility of imposing further restrictions on the importation of manufactured articles, both from the point of view of saving tonnage and of relieving exchange difficulties in neutral countries.

The value of manufactured goods imported is large, but their tonnage is relatively small. Taking imports as a whole, their value per ton is about £22, whilst the average value of a ton of manufactured articles is £51. It follows that considerations of exchange will have more weight in determining the restrictions to be imposed on this class of imports than considerations of tonnage.

In the following paragraphs manufactured articles in which tonnage is the primary consideration are dealt with first. Expensive articles, where the tonnage consideration is almost negligible, are dealt with separately, and for convenience, a few other articles, such as feathers, which are strictly not manufactures at all, are dealt with in the same section.

(i.) BULKY ARTICLES.

118. From a tonnage point of view the most important articles under this head are:

<table>
<thead>
<tr>
<th>Imports in 1916.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood manufactures</td>
</tr>
<tr>
<td>Glass</td>
</tr>
<tr>
<td>Painters' colours and pigments</td>
</tr>
</tbody>
</table>

Paper has been dealt with separately.
119. Wood Manufactures—other sorts including Chip Boxes, Woodcare, and Turnery.—In 1916 the value of the imports amounted to 1,839,000£, and the principal sources of supply were the United States, Russia, Norway, Sweden, France, and Holland. These articles are already on the prohibited import list, but there has been some difficulty in enforcing a rigid prohibition in view of the necessities of industries in this country, particularly the match and certain textile industries, and also because some of these manufactures come from France and Italy. We recommend, however, that efforts should be made to effect a reduction of 50 per cent. of the 1916 imports, unfinished articles necessary for industry (such as ply wood, bobbins, match splints, &c.) being, so far as possible, included in the proportion licensed.

120. Glass.—The main sources of supply are Holland, the United States, Sweden, France, and Belgium. The importation of sheet, window, and plate glass, and glass tableware is already prohibited.

Tableware (shown in the Trade Accounts under the head of Flint Glass) is now entirely excluded, except small quantities for the mounting trade which should still be licensed at the discretion of the Controller of the Import Restrictions Department. If, as has been suggested by the Board of Trade, all glass not already prohibited is now prohibited, there will be a saving exceeding 30,000 tons in comparison with 1916, the prohibition on tableware having been in force for the last quarter of the year only.

The total imports of sheet and plate glass in 1916 amounted to 31,000 tons. The imports from Belgium, which had been authorised by His Majesty’s Government, appear to have been stopped for the present by the action of the enemy. We are committed to granting licences at the rate of 500 tons a month, but no licences are being granted for glass of these categories from other countries. Assuming that the Belgian imports are resumed, the saving compared with 1916 will amount to over 20,000 tons.

Imports of glass bottles, which have so far not been prohibited, amounted in 1916 to 84,000 tons in weight and 968,000£ in value. We recommend that they should now be prohibited, and their import reduced by at least one-half, so as to effect a saving of 42,000 tons.

121. Painters’ Colours and Pigments.—61,300 tons, of a value of over 2,000,000£, were imported in 1916. The principal sources of supply were Holland, the United States, and France. In view of the needs of the Admiralty and essential civil requirements, total exclusion would be impracticable; but we consider that a considerable saving could be effected if tenants and landlords were released during the war from covenants requiring them to proceed with internal and external painting of houses at specified intervals, and if the requirements of the Factory Acts regarding periodical painting were suspended. We consider further that no external painting of buildings should be carried out except under licence from the local authority. Such licences are required in normal times for building operations, opening of streets, &c., so that the necessary machinery is in existence. In the case of new huts, creosote oil, of which large quantities are available, should, wherever possible, be substituted for paint. Economy should further be urged on all Government Departments in the use of paint. Import should be prohibited, and licences should be limited to two-thirds of the quantities imported in 1916, the whole supply of barytes being obtained from this country as soon as possible. The saving would be about 20,000 tons a year.

122. Starch.—Restriction of the importation of starch has been found impracticable, as it is indispensable for cotton manufactures and other industrial processes.

123. Marble.—At present Italian marble is subject to the prohibition which affects stones and slates, but has been licensed up to 50 per cent. of the 1915 import, for political reasons. In 1916, 19,400 tons, of a value of 161,000£, were imported. We consider that this import should be stopped. The resultant saving is reckoned below as a saving for this section; though strictly not a new prohibition, it was not taken into account in the estimate of additional saving likely to result from existing prohibitions.

124. Tanning Extracts.—It is proposed to prohibit the import of quebracho extract as well as of chestnut extract (which is already prohibited), in order to exercise control. There may be some saving in length of voyage, but probably none in actual tonnage imported.
125. It may be estimated that the monthly saving in respect of glass bottles, painters' colours, and marble will amount to about 6,750 tons. The annual saving in exchange may be estimated at about 1,390,000L.

(ii.) ARTICLES IMPORTANT PRIMARILY IN CONNECTION WITH EXCHANGE.

126. From the point of view of exchange, it is most important that imports from the United States of America, and to a less extent from Switzerland, Holland, and other countries should be curtailed.

(A.)—Articles mainly affecting Neutrals.

127. Embroidery and Needlework (value 3,248,000L.).—Imports are almost wholly from Switzerland, and diplomatic difficulties are certain to be experienced in the imposition of any restriction. We consider that, if possible, there should be absolute prohibition.

128. Clocks and Parts.—Imports (value, 227,000L.) come predominantly from the United States of America, and we consider that they should be prohibited. We should have been disposed to recommend a similar prohibition on the importation of watches and parts (value, 1,475,000L.) other than gold watches, which are already excluded, but it has been represented to us that their manufacture takes place predominantly in the French-speaking portion of Switzerland, and we agree that it would, for diplomatic reasons, be unwise to impose any severe restriction.

129. Photographic Apparatus.—As articles of this description are not separately distinguished in the “Official Trade Returns,” their exact value cannot be stated. Photographic apparatus is imported chiefly from the United States of America, and we recommend prohibition.

130. Incandescent Gas Mantles (value in 1916, 57,000L.) are imported mainly from Holland. It is under consideration whether they can be produced in the United Kingdom.

131. Cinematograph Films (value, 1,000,000L.) are imported chiefly from the United States of America, and also to some extent from France. Import should be prohibited.

132. Typewriters and Parts (365,000L.) are imported from the United States of America, and it may be difficult to dispense with them altogether. The parts which, as hardware, are already restricted, must continue to be admitted in small quantities. We recommend prohibition of import of the complete typewriter, and reduction, if possible, by 50 per cent. of the 1916 amount.

133. Sewing Machines and Parts (413,000L.) are imported chiefly from the United States of America and Holland. They are already on the prohibited list, and we recommend that efforts should be made to reduce imports to 25 per cent. of the 1916 amount.

134. Gilt Mouldings for Picture Frames (87,000L.) are imported chiefly from Holland and Italy, and are already on the prohibited list; the stringency of the prohibition should be increased.

135. Plated and Gilt Wares (value in 1915, 43,000L.) are imported chiefly from the United States. It is possible that these articles may be covered by existing prohibitions, but we recommend that they should be placed specifically on the prohibited import list.

136. Boots and Shoes have, for convenience, been considered under the head of leather.

137. In value the saving over a period of twelve months resulting from the recommendations in this group would amount to nearly 5,000,000L. The saving in weight would be only 500 tons per month.

(B.)—Articles largely affecting the Allies.

138. The following articles which largely affect the Allies should also be subject to prohibition, if the diplomatic difficulties which may be anticipated can be surmounted. The value of the articles in question is so considerable that the reason for prohibition is obvious. In certain cases we recommend that licences be granted for a proportion of the 1916 import:—
<table>
<thead>
<tr>
<th>Article</th>
<th>Value</th>
<th>Countries whence Chiefly Imported and Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flowers, fresh (foreign)</td>
<td>£81,000</td>
<td>France. They tend to cause congestion of railways and ports.</td>
</tr>
<tr>
<td>Ornamental feathers and down—</td>
<td></td>
<td>South Africa.</td>
</tr>
<tr>
<td>Ostrich feathers, undressed</td>
<td>£408,000</td>
<td>France.</td>
</tr>
<tr>
<td>Other sorts</td>
<td>£424,000</td>
<td>France, China, Russia.</td>
</tr>
<tr>
<td>Manufacturers of skins and furs</td>
<td>£554,000</td>
<td>France, Switzerland, Italy, Japan. (20 per cent. of the 1916 imports to be licensed.)</td>
</tr>
<tr>
<td>Manufacturers of silk (not including silk yarn)</td>
<td>£12,875,000</td>
<td>United States of America, Japan, Switzerland, China, Russia.</td>
</tr>
<tr>
<td>Coiton</td>
<td>£3,475,000</td>
<td>United States of America, Japan, Switzerland, China, Russia.</td>
</tr>
<tr>
<td>Hosiery</td>
<td>£381,000</td>
<td>France, Switzerland, China, Russia.</td>
</tr>
<tr>
<td>Gloves</td>
<td>£818,000</td>
<td>France, Japan, United States of America, France.</td>
</tr>
<tr>
<td>Lace and articles thereof</td>
<td>£409,000</td>
<td>France, Japan, United States of America, France.</td>
</tr>
<tr>
<td>Fancy goods (Paris goods)</td>
<td>£588,000*</td>
<td>France, Italy, Belgium.</td>
</tr>
<tr>
<td>Flowers, artificial</td>
<td>£507,000</td>
<td>France, Italy, Belgium.</td>
</tr>
<tr>
<td>Hats and hennins—</td>
<td></td>
<td>Italy, France.</td>
</tr>
<tr>
<td>Felt</td>
<td>£71,000</td>
<td>France, Italy, Switzerland.</td>
</tr>
<tr>
<td>Straw</td>
<td>£121,000</td>
<td>Italy, South America, France, China, Japan.</td>
</tr>
<tr>
<td>Other</td>
<td>£137,000</td>
<td>Italy, South America, France, China, Japan.</td>
</tr>
<tr>
<td>Pictures, prints, and engravings, photographs and maps</td>
<td>£55,000*</td>
<td>France, United States of America, Holland, Italy.</td>
</tr>
<tr>
<td>Works of art other than pictures</td>
<td>£49,000*</td>
<td>France, United States of America, Holland, Italy.</td>
</tr>
<tr>
<td>Cups</td>
<td>£66,000*</td>
<td>Italy, France.</td>
</tr>
<tr>
<td>Perfumery</td>
<td>£266,000*</td>
<td>Japan, China, India, Holland, France, United States of America, France.</td>
</tr>
<tr>
<td>Apparel</td>
<td>£713,000</td>
<td>Japan, China, United States of America. (Partly prohibited, should be entirely prohibited.)</td>
</tr>
<tr>
<td>Plaiting of straw (3,600 tons)</td>
<td>£1,008,000</td>
<td>Japan, China, Switzerland, Italy, France. (Prohibits and license up to 50 per cent. of 1916 imports.)</td>
</tr>
</tbody>
</table>

* 1915 figures.

139. The value of imports of the above articles is no less than 23,000,000L, of which 7,500,000L is from Switzerland, and 3,000,000L from the United States of America. If our recommendations are carried into effect, it may be estimated that there will be an annual saving of imports of about 19,000,000L in value, and about 19,000 tons in weight (1,600 tons a month).

Appended to this report (Appendix II) is a statement showing the contributions of British Possessions and the principal Allied and neutral countries to the imports in question.

140. We further recommend that the importation of the following articles, which closely affect Japan, should be prohibited: Antimony wares, baskets and basketry of bamboo, cloisonné wares, and mats and matting of rush. We also recommend that the existing prohibition on the importation of lacquered wares be enforced against goods of Japanese origin.

141. We have not recommended any prohibition on linen yarns or manufactures, which come predominantly from Allied countries, but it may be thought advisable to insert them for purposes of bargaining. Imports of linen yarns in 1916 amounted to 600 tons, of a value of 65,000L, and linen manufactures to 900 tons, of a value of 376,000L.

142. Hitherto the policy of His Majesty's Government, as regards prohibition, has been hampered by arrangements or understandings with the French and Italian Governments, who have naturally opposed restrictions on some of their most important articles of export at the present time. These arrangements affect principally such articles as silk manufactures, hats and bonnets, marble, leather gloves, feathers, fancy goods, wools and brandy.

All Allied and neutral countries of importance enjoy most-favoured-nation treatment in the United Kingdom as regards the treatment of their imports, and it has therefore been difficult whilst admitting French or Italian goods to exclude similar manufactures of other countries.

143. The attitude of the Japanese Government has not differed from that of the French and Italian Governments. They have shown considerable impatience at any proposal to place restrictions on their manufactures, even when imports into the United Kingdom
of such manufactures were small compared with similar imports from other countries. Thus it has not been practicable to impose any prohibition on Japanese silks or hosiery. Yet the value of Japanese silk imported into the United Kingdom amounted to only 1,600,000L out of a total import of silks amounting to 12,900,000L. As regards cotton hosiery, the Japanese trade has developed during the war. In 1916 the total import amounted to about 3,500,000L, the greater part of which came from the United States. Imports from Japan amounted to 1,237,000L.

It may be mentioned in this connection that the Treasury have on several occasions refused credits asked for by the Belgian and other Allied Governments for the purchase of cotton hosiery in the United States. This refusal has been based on the ground that other forms of hosiery could be furnished from home sources in adequate quantities, but it will clearly be difficult for them to maintain this attitude if cotton hosiery of foreign manufacture is admitted for civilian consumption.

It is very desirable from the exchange point of view to exclude so important an import from the United States and it is hardly reasonable that this should be prevented for the sake of the smaller trade from Japan.

144. With regard to Switzerland the position is not less difficult. A large part of the country is contiguous to Germany, and the sympathy of the population is pro-German. On the other hand, it is considered undesirable for political reasons to alienate the French part of Switzerland, which is well disposed towards the Allies, and is engaged in the manufacture of munitions for them. Nevertheless, important industries, which it is proposed to restrict, are carried on largely in that part of the country. In view of extensive purchases which are being made in Switzerland by the Allies, it is important to take steps for improving the Swiss exchange. It has been suggested to us by the War Office that it may be possible to find employment for a considerable section of Swiss industry in war work for the Allies requiring a high degree of skill. We trust that this suggestion will not be lost sight of.

It has been stated that, whilst Switzerland does not complain so much of a general prohibition, she resents the imposition of restrictions on her manufactures which do not apply equally to France. The fact is that either French goods take the place of Swiss goods, and so the volume of imports into this country is not reduced, or concessions have to be made to Switzerland with a similar result.

The Swiss articles principally affected are silks, cotton hosiery and lace, straw hats, and embroidery and needlework.

145. We strongly recommend that steps should be taken to secure the release of this country from any understandings of the nature indicated above which there may be with the French and Italian Governments, and that efforts should be made to arrive at a satisfactory arrangement with the Japanese Government.

146. It must be remembered that at present, as a measure of reciprocity, British goods of prohibited descriptions are licensed freely by the French Government for admission into France. This privilege would, of course, be lost if the imports of French goods into this country are restricted.

147. It will have been observed that ostrich feathers (value 403,000L), which come from South Africa, have been placed in this group. It is most undesirable to allow this trade to continue under present circumstances; but, as South African interests are involved, we recommend that a communication on the subject should be addressed to the Government of the Union before action is taken.

(iii.) MISCELLANEOUS.

148. It has been suggested to us that the importation of skins and furs, whether dressed or not, which are clearly intended for manufacture into articles of luxury, should be prohibited. Skins and furs, other than calf, goat, sheep, rabbit, or seal, are classed as "unenumerated" in the Official Trade Returns.* About 50 per cent. of the imports are re-exported. The undressed skins come principally from the United States, to which country most of the re-exports are shipped. The dressed skins come from Russia, China, and the United States, and are re-exported principally to the United States and France. It has not been possible for us, in the time at our disposal, to consult with the interests concerned, and we fear that indiscriminate prohibition

* Imports in 1916 of these articles were as follows:—
Dressed skins, 2,300 tons: value 750,000L.
Undressed skins, 7,000 tons: value over 2,000,000L.
may but serve to curtail a valuable trade. We therefore make no recommendation on the subject.

The above remarks apply also to seal skins, imports of which are not large, and could not well be treated differently from those of other valuable skins and furs.

149. It has been suggested to us that a prohibition should be placed on animal ivory, of which imports in 1916 amounted to 530 tons, of a value of nearly 500,000/. The imports are, however, chiefly from British Possessions and the Belgian Congo and four-fifths is re-exported. We do not therefore recommend prohibition.

150. Imports of motor-cars, motor-cycles, and parts, which are on the prohibited import list, are allowed under licence only for military or other essential purposes. We understand that steps are being taken to increase the stringency of the prohibition, so far as possible.

151. The importation of rubber tyres, rubber boots and shoes, and other articles of rubber from the United States is governed by the Rubber Agreement between His Majesty’s Government and the interests concerned, by virtue of which the goods in question are exported from the United States to neutral countries in Europe only by way of the United Kingdom. In view of the importance of this agreement from the point of view of the Blockade, and the desirability of not in any way impairing its working, we are of opinion that prohibition would be inadvisable.

152. Imports of cutlery, hardware, implements and tools, and machine tools are already subject to regulation, but in some cases it may be possible to effect further reductions.

153. Imports both of cotton yarn and cotton textiles, which are already on the prohibited list, should be further reduced. In the case of yarns the interests of India would render total prohibition impracticable.

(iv.) SUMMARY.

154. The saving that may be anticipated on bulky articles included in this Section (viz., glass bottles, painters’ colours and pigments, and marble) may be estimated at about 6,750 tons a month, and on articles important primarily in connection with exchange at some 2,100 tons a month. Allowing for tare in the use of articles other than marble and painters’ colours, the total monthly saving would not be less than 10,000 tons.

The annual saving in exchange may be estimated at about 25,000,000/. in all.

Except in the case of marble, no allowance has been made for additional reductions in imports of articles already prohibited, allowance for such reductions having been made elsewhere.

SECTION VI.—RE-EXPORTS.

155. It has been suggested that a large saving of tonnage might be realised by prohibiting, save in exceptional circumstances, the importation into the United Kingdom of goods for re-export, on the ground that such goods are not required for our own purposes, and should be obtained at their own risk by those who require them. Two specific administrative acts would be necessary, viz.:

(a.) An order prohibiting the re-export of goods not subject to an existing prohibition of export; and

(b.) An order prohibiting the importation of the goods in question, and then licensing up to the amount allowed or required for home consumption.

156. In view of the large volume of the re-export trade (1,500,000 tons in 1916), the proposal has been carefully considered by us; but, after an examination of the most important articles affected, we are convinced that any general policy such as that outlined would yield little result and would be inexpedient. Where in specific instances our recommendations involve a curtailment of re-exports, such curtailment is incidental to, and not the primary object of, a restriction of imports.

The reasons for our conclusion may be summarised as follows:—

1. In many cases there would be no saving in actual length of voyage by direct shipment to destination instead of indirect shipment via this country. Even where there is an increase in length of voyage, there may be no effective saving in tonnage, since there is no lack of space in ships outward bound from the United Kingdom to the most important destinations.
It is true that in such cases there would be some advantage in relief to the ports; but on the other hand such relief would be dearly bought if it meant, as it might in some cases, the permanent diversion of a valuable trade.

2. In a large number of cases (a few are given below) there are special reasons which make it undesirable to stop the re-export trade.

Coffee.—Re-export from stock is directly advantageous to exchange, and there is plenty of space in outward-bound ships.

Jute is re-exported largely to France for military purposes.

Tin comes from the Malay Peninsula and is re-exported largely to the United States of America. His Majesty's Government have been anxious to reduce so far as possible American encroachment on a British trade.

Rubber manufactures are for reasons of Blockade sent to this country from the United States for re-export to other countries.

Oil seeds are re-exported in large quantities to Holland, and are there manufactured into products (margarine and glycerine), returned eventually to this country.

3. From the point of view of exchange the re-export trade is advantageous (a) in so far as it facilitates the shipment to foreign destinations of produce largely British in origin, and (b) in so far as it involves profit to the middleman in this country. But, if goods produced in the Empire were shipped direct, and the transaction were financed in this country, the loss from an exchange point of view would be inconsiderable.

4. It is probable that, for the following reasons, the existing policy of His Majesty's Government will in fact bring about a considerable reduction in re-exports and in corresponding imports, without direct restriction of re-exports as such:

(a.) A prohibition of exports covers re-exports; a number of such prohibitions have recently been imposed for the purpose of conserving supplies of particular commodities in the United Kingdom owing to possible shortage. In 1916, 139,000 tons of rice were re-exported, but that commodity is now on the list of absolute prohibitions and a considerable proportion of the corresponding import will probably be realised as a saving.

(b.) An important part of our re-export trade has been to our Allies, notably France and Italy, but there is a growing tendency to economise tonnage by shipping supplies direct to the Allied countries.

157. It is difficult to estimate the amount of the net saving likely to be effected as a result of the circumstances indicated under heads (a) and (b), but it is not likely to be less than 10,000 tons a month. In this total there is included an estimated saving of 2,500 tons in respect of Egyptian cotton (vide Section IV, sub-section (i)).

158. We wish to record our appreciation of the excellent work done, under conditions of pressure, by our Secretary, Mr. E. H. Marker.

We have the honour to be, my Lord,
Your obedient servants,

(Signed) H. BABINGTON SMITH (Chairman).
W. H. BEVERIDGE.
C. T. DAVIS.
R. E. ENTHOVEN.
C. W. FIELDING.
H. FOUNTAIN.
NORMAN HILL.
L. J. KERSHAW.
J. M. KEYNES.
LÉO CHIOZZA MONEY.
J. A. SALIER.
H. LLEWELLYN SMITH.
GRAEME THOMSON.
CHARLES TUFTON.
U. F. WINTOUR.
E. H. MARKER (Secretary).

7, Whitehall Gardens, S.W.,
February 10, 1917.
The Saving in Imports estimated to result from Restrictions on Brewing.

The Output of Beer Restriction Act was designed to secure a reduction in the amount of beer brewed to 26,000,000 standard barrels in the year ending the 31st March, 1917. This represents about 928,000 tons of barley, 54,000 tons of grits, and 116,000 tons of sugar. It is understood that the Commissioners of Excise anticipate that the quantity brewed will, in fact, probably exceed the 26,000,000 barrels by half a million barrels or more; but the actual excess which will be realised cannot at present be stated, and in the figures below the excess brewing has been neglected.

Assuming that part or the whole of this use of materials in brewing were stopped, the question arises how much would thereby be realised by way of a saving on imports. For this purpose it will be convenient to start with the assumption that the whole use of brewing materials is stopped.

As regards the grits (which are for the most part maize, rice, and other imported articles) and the sugar, the whole of the saving of materials could be realised as a saving of imports. These particular materials are substantially all imported, and their import could simply be stopped, since they are not needed for other purposes.

As regards barley, part of this is imported and part home-grown. In the three years just before the war (ending the 30th September, 1914), the average import of barley for all purposes was 1,050,000 tons, while the average home supply of barley was 1,400,000 tons. Since the war both the home-production of barley and the import have fallen very largely, the amount available for the year ending the 30th September, 1916, being about 1,100,000 tons of home produce and 880,000 tons of imported barley. The import during the calendar year 1916 was 790,000 tons.

Assuming that the use of the whole 928,000 tons of barley in brewing were stopped, this could, broadly speaking, all be realised as a saving of tonnage—

(a.) Directly in the stoppage of imports of barley (which would cover 790,000 tons in 1916);

(b.) Indirectly as to the balance of 136,000 tons, by utilising the barley to mix with wheaten flour in bread, so as to save wheat; or by utilising it as feeding-stuffs, so as to save imported feeding-stuffs.

The foregoing general result needs modification in respect of the loss of brewers' grains, malt culms, and dried yeast produced in the process of brewing. These are valuable feeding-stuffs: 928,000 tons of barley would give about 274,000 tons of these feeding-stuffs, which would need to be replaced directly or indirectly by other imports. It would not be fair, however, to deduct the whole of the latter figure in estimating the saving of imports, since brewers' grains and malt culms are very bulky feeding-stuffs in proportion to their food value. An equivalent amount of food can be obtained in maize weighing five-eighths of the brewers' grains, i.e., about 171,000 tons as against 274,000 tons.

In so far as realisation of the saving on barley depended upon substituting barley for wheat in making flour, there would be a loss from the point of view of human food, because barley cannot be milled into flour up to so large a percentage of the total grain as wheat. But there would be a compensating gain of animal food. If the barley is milled up to 60 or 70 per cent. only, while wheat is taken to 80 or 85 per cent., there is a correspondingly greater return of barley offals available for feeding-stuffs. This correction, therefore, is alternative to and not cumulative on the correction above.

There would, of course, be certain difficulties of transition in substituting one feeding-stuff for another, and it might be necessary to make some allowance for this, but the allowance would not affect the general character of the results shown in this memorandum.

The broad result emerges that it should be possible to realise as a saving of tonnage substantially the whole of the volume of brewers' materials (amounting to 1,098,000 tons) less only the 171,000 tons in respect of imports required to replace brewers' grains and malt culms; that is to say, 927,000 tons a year.

This figure should be increased through the three following corrections:—

(a.) As stated above, the actual amount of beer that will be brewed in the year ending the 31st March will probably exceed the 26 million standard barrels by half a million or more. Taking the excess as half a million, the possible saving of imports through the total stoppage of brewing should be increased by about 2 per cent., or 18,000 tons.
In 1916 there was an export of malt practically equivalent to 33,000 tons of barley. The stoppage of this export, and of the use of barley for the purpose of making malt, would therefore yield a further saving of 33,000 tons.

Any stoppage or considerable restriction of brewing should be accompanied by practically total prohibition of the import of hops, this amounting in 1916 to over 7,000 tons.

If these additions are made, the saving of imports that could be realised by the total stoppage of brewing and malting would amount to 985,000 tons a year, or 82,000 tons a month. Any reduction of the volume of brewing less than total prohibition would bring about a proportionate saving of imports.

APPENDIX II.

Value of certain Articles Imported into the United Kingdom during 1915 and 1916.

<table>
<thead>
<tr>
<th>Articles</th>
<th>Total Value of Imports from all Sources</th>
<th>Value of Imports in 1915</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1916</td>
<td>1915</td>
</tr>
<tr>
<td>Embroidery and needlework</td>
<td>3,248</td>
<td>2,361</td>
</tr>
<tr>
<td>Clocks and parts thereof</td>
<td>227</td>
<td>282</td>
</tr>
<tr>
<td>Watches and parts thereof</td>
<td>1,475</td>
<td>1,419</td>
</tr>
<tr>
<td>Typewriters and parts thereof</td>
<td>1,006</td>
<td>1,212</td>
</tr>
<tr>
<td>Sewing machines and parts thereof</td>
<td>668</td>
<td>618</td>
</tr>
<tr>
<td>Mouldings for picture frames and gilt mouldings</td>
<td>418</td>
<td>519</td>
</tr>
<tr>
<td>Feathers and down, ornamental</td>
<td>87</td>
<td>59</td>
</tr>
<tr>
<td>Other sorts</td>
<td>403</td>
<td>580</td>
</tr>
<tr>
<td>Flowers, fresh</td>
<td>495</td>
<td>617</td>
</tr>
<tr>
<td>Skins and furs, manufactures of</td>
<td>180</td>
<td>188</td>
</tr>
<tr>
<td>Silk manufactures, not including yarn</td>
<td>12,879</td>
<td>14,413</td>
</tr>
<tr>
<td>Cotton—</td>
<td>12,879</td>
<td>14,413</td>
</tr>
<tr>
<td>Linen</td>
<td>12,879</td>
<td>14,413</td>
</tr>
<tr>
<td>Gloves</td>
<td>347</td>
<td>287</td>
</tr>
<tr>
<td>Lace and wares thereof</td>
<td>681</td>
<td>683</td>
</tr>
<tr>
<td>Lace and wares thereof</td>
<td>813</td>
<td>931</td>
</tr>
<tr>
<td>Fancy goods (Paris goods)</td>
<td>452</td>
<td>464</td>
</tr>
<tr>
<td>Flowers, artificial</td>
<td>588</td>
<td>588</td>
</tr>
<tr>
<td>Halls and hemstitch</td>
<td>1,547</td>
<td>1,547</td>
</tr>
<tr>
<td>Flannel goods (Paris goods)</td>
<td>121</td>
<td>119</td>
</tr>
<tr>
<td>Other</td>
<td>452</td>
<td>464</td>
</tr>
<tr>
<td>Books and shraps (except rubbers)</td>
<td>1,006</td>
<td>954</td>
</tr>
<tr>
<td>Pictures, prints, engravings, photographs, maps, and charts</td>
<td>55</td>
<td>57</td>
</tr>
<tr>
<td>Works of art (other than pictures)</td>
<td>69</td>
<td>69</td>
</tr>
<tr>
<td>Perfumery</td>
<td>255</td>
<td>277</td>
</tr>
<tr>
<td>Apparel, not waterproofed</td>
<td>713</td>
<td>1,448</td>
</tr>
<tr>
<td>Leather gloves</td>
<td>697</td>
<td>862</td>
</tr>
<tr>
<td>Plaiting of straw</td>
<td>1,008</td>
<td>954</td>
</tr>
</tbody>
</table>

Note.—n.s.d. = not separately distinguished in the Trade Returns.
APPENDIX III.

Sir Thomas Whitaker to Sir Albert Stanley.

Royal Commission on Paper,
Central House, King'sway, London.

January 12, 1917.

Dear Sir Albert,

Referring to my interviews with you with regard to the necessity for further reducing the imports of paper, and particularly of strawboard and packing and wrapping paper, this Commission, on the 10th instant, very fully and carefully considered the whole matter.

The restrictions which have thus far been enforced have imposed very considerable inconveniences upon the trade, but the requirements of this Commission have been most faithfully responded to, with the result that up to the end of last year the Commission had been successful in reducing the total imports of paper and materials by some 32\% per cent. A further reduction of 50 per cent. is now being made, and was to be continued during this year. I understand, however, that the necessities of the situation require a further reduction. The Commission therefore desires to say that if the Government come to the conclusion that the reduction in the total imports of paper and paper-making materials shall be increased to an extent which will, as a whole, make the total import 40 per cent. of the importation of 1914—that is to say, a reduction of 60 per cent.—this Commission will do its best to carry out that decision.

The Commission would propose to do so by arranging that the importation of paper and paper-making materials should be, for the coming year commencing the 1st March next, one-third less than the importation in 1916, which was already one-third less than 1914. This arrangement it would propose to apply to all kinds of paper and paper-making materials except those descriptions which appear in the Board of Trade Returns as—

1. Paper for packing and wrapping.
2. Strawboard.
4. Boxes and cartons of paper or cardboard.

With regard to these particular descriptions, the Commission propose to make the reduction, as compared with 1916 importation, 50 per cent.

The effect of reducing paper and paper-making materials generally by one-third of the importation of 1916, and strawboards and packing materials by one-half of the importation of 1916, would be to make the total reduction for the coming year equivalent to a reduction of 60 per cent. on the importation of 1914. As strawboard, packing paper, &c., are now very largely used by the Government for munitions, supplies of food, &c., a reduction of the import to 50 per cent. of 1916 would very effectually curtail the general use of these materials.

In making this suggestion the Commission desires to say that this reduction will involve great inconvenience and loss, and in many cases much hardship on many persons and branches of the trade. It feels sure that the reduction will not be ordered unless it is really necessary, and the Commission desires to express the opinion that if it is ordered, no further reduction in the importation of these articles and materials should be contemplated by the Government until some similarly sweeping reductions have been made in the importation of other articles which, in the opinion of this Commission, can be more easily and advantageously dispensed with than is the case with paper and paper-making materials.

Should you decide that this reduction must be made, I have to suggest that it is very desirable that the decision should be come to as soon as possible, in order that the trade may be notified and the Commission's regulations for carrying it out may be drafted at once, so that the inconvenience caused to the trade by issuing an alteration of recently revised regulations may be limited as much as possible.

Yours very truly,

THOS. P. WHITAKER.
APPENDIX IV.

ARTICLES ALREADY ON THE LIST OF PROHIBITED IMPORTS.

The following is a complete list of articles the importation of which into the United Kingdom is now (10th February, 1917) prohibited, except under licence:

- Air guns and rifles.
- Aluminium, manufactures of.
- Aluminium powder.
- Automatic machines for the retail sale of any article.
- Baskets and basket-ware (except baskets and basket-ware of bamboo).
- Baths of metal.
- Beer.
- Birds, live, other than poultry and game.
- Bladders, casings and sausage skins.
- Bone, horn, ivory, and celluloid, manufactures of.
- Brooms and brushes.
- Bulbs, flower roots, plants, trees, and shrubs.
- Carpet sweepers.
- Cash registers.
- Cement.
- Chestnut extract.
- Chinaware, earthenware, and pottery, not including cloisonné wares.
- Cocaine and opium.
- Cotton yarn, cotton piece-goods, and cotton manufactures of all kinds except lace.
- Cutlery.
- Diamonds (decorative and industrial), unset.
- Fatty acids.
- Fruit (canned, bottled, dried, and preserved), except currants. (Colonial fruit does not come under this prohibition.)
- Furniture, manufactured joinery, and other wood manufactures.
- Furniture woods, hardwoods, and veneers.
- Glass, window and sheet.
- Glass, plate.
- Glass, tableware.
- Gold, manufactured or unmanufactured, including gold coin and articles consisting partly of or containing gold (except gold consigned for delivery at, and sale to, the Bank of England).
- Hardware and hollow-ware.
- Hops.
- Horns and hoofs.
- Icea.
- Ivory, vegetable.
- Jewellery of any description.
- Lawn mowers.
- Lacquered wares.
- Leather, manufactures of, other than belting, boots, shoes, and gloves.
- Matches.
- Military rifles and carbines.
- Miniature and cadet rifles and carbines.
- Moss litter.
- Motor cars, chassis, motor cycles, and parts and accessories of motor cars and motor cycles (other than tyres).
- Musical instruments, including gramophones and pianolas and other similar instruments, and accessories and component parts and records therefor.
- Oilcloth.
- Paper and cardboard (including strawboard, pasteboard, millboard, and wood-pulpboard) and manufacturers of paper and cardboard.
- Paper (materials for the manufacture of), including wood-pulp, esparto grass, and linen and cotton rags.
Periodical publications exceeding sixteen pages in length imported otherwise than in single copies through the post.

Revolvers and pistols.
Salt.
Sewing machines.
Silver, all manufactures of, other than silver watches and silver watch cases.
Spirits and strong waters, of all kinds, except brandy and rum.
Sporting guns, carbines, and rifles.
Soap.
Stones and slates.
Stoves and ranges.
Sugar.
Toilet articles containing glycerine.
Tobacco, unmanufactured and manufactured (including cigars and cigarettes). (Colonial tobacco has been exempted from this restriction.)
Tools (machine) and parts thereof, excluding small tools.
Toys, games, and playing cards.
Vacuum cleaners.
Vegetables, canned, bottled, dried, and preserved, and pickles. (Colonial vegetables have been exempted from this restriction.)
Wood and timber of the following kinds:—Beech, birch, elm, and oak.
Woollen and worsted manufactures of all kinds except yarns.
Wringers and mangles.
Yeast.

Note.—The above list does not include (1) goods prohibited on account of enemy origin; (2) certain goods which have from time to time been classed as "war material" under the Defence of the Realm Regulations; and (3) goods prohibited for reasons other than those arising out of a state of war, as, for example, matches made from white phosphorus, counterfeit coin, &c.
ARRANGEMENTS FOR THE TREATMENT AND TRAINING OF DISABLED SOLDIERS.

MEMORANDUM BY THE MINISTER OF PENSIONS.

1. By arrangement with the War Office, disabled soldiers are to be retained in the appropriate military hospitals up to the limits of the available accommodation for so long as in-patient treatment is necessary whether by curative manual or other means.

2. When, subject to the above, it has been decided by an Invaliding Medical Board that a man in hospital is no longer fit for service, the War Pensions Committee of the locality in which he intends to reside is to be informed of his approaching discharge, and, where out-patient treatment is recommended or curative training is advised, of the nature of that treatment or training, and full facilities are to be given to accredited persons to visit and confer with the hospital authorities and with the man on behalf of the Committee.

3. The man is to be retained in the military hospital for a period of three weeks after the date on which his discharge is approved by the Invaliding Medical Board. He is then to be simultaneously discharged from the hospital and the army, and pass under the care of the War Pensions Committee of the locality in which he intends to reside, or, in certain cases, temporarily under the Committee of the locality in which he was treated before, and will continue to be treated after discharge.

4. By the date of his discharge, any pension based on the man’s disablement will have been permanently or conditionally awarded to him. Arrangements are being made for this award to be notified to the War Pensions Committee of the locality in which the man intends to reside, so that that Committee may be cognisant of every pensioner within their area.

5. Officers in charge of military hospitals are being instructed to provide, so far as their available resources permit, out-patient treatment for all discharged soldiers presented to them for this purpose by the War Pensions Committee of the locality where the hospital is situated. This treatment will be provided either in the locality where the man intends to reside or in the hospital in which he was treated as an in-patient if that is considered better. Such will generally be the case if the in-patient treatment was in an orthopaedic or other special hospital.

The arrangement with the military authorities will not, of course, preclude a discharged man being treated as an out-patient in any civil hospital if more convenient to the place of his residence, and if the War Pensions Committee of his locality are satisfied that he can get there the treatment necessary in his case.

6. The War Pensions Committee of the locality in which the man is being treated will see to his maintenance and accommodation during this treatment. Provision has been made by the War Pensions, &c., Statutory Committee for an allowance to enable the man to defray the cost of his maintenance and for separately maintaining his wife and family if his treatment involves his living away from home. With this provision, and a proposed article in the new Royal Warrant, which will make the addition, based on pre-war earnings to a man’s minimum pension, dependent on his consenting to undergo such treatment as may be adjudged necessary for him, it is hoped to overcome the reluctance, which men not unnaturally feel when released from military discipline, to forego their freedom of action, the chance offered by present circumstances of earning exceptional wages, and the pleasure of reunion with their families.
7. War Pensions Committees can issue similar allowances to those mentioned above to men while undergoing treatment in convalescent homes or sanatoria after discharge, and can pay all fees in connection with such treatment.

8. It not infrequently happens that a man discharged from the army and from hospital as no longer requiring in-patient treatment, after a time, again needs such treatment on account of wounds or disease due to his service. Arrangements have been made by which this treatment can, within three years of the date of the man being invalidated out of the service and provided there is reasonable probability of the man's condition being cured or permanently improved by it, be given at a military hospital, the man receiving during its course pension for himself and his children as if totally disabled, subject to a hospital stoppage of 1s. per day.

9. The residential treatment of discharged soldiers is variously provided for according to their special disablements.

10. Men whose limbs have been amputated are passed on from the Military Orthopaedic Hospitals, via Queen Mary's Convalescent Auxiliary Hospitals at Roehampton (which has a subsidiary Brighton branch), to Glasgow, and at Bray near Dublin. Artificial limbs are made and fitted in these establishments, and men can return there or can send their limbs to be refitted at the public expense, if they get out of order, are destroyed, or become misfits. Other centres for repairs and refittings have recently been started, and the request of the St. John Ambulance Association to take part in this work is under consideration. Out of nearly 4,500 men discharged from Roehampton, up to the 31st December, 1916, three-fifths had been placed in new or had returned to their own employment, and the remainder, who refused to consider work, except in the vicinity of their own homes, had been passed on to the War Pensions Committees of the localities where these were situated.

11. Paralysed men are sent to the Star and Garter Home, Richmond, established under the auspices of the Red Cross Society, or to subsidiary homes in Scotland and Ireland. Under the same auspices an institution, affiliated with the Maida Vale Hospital for Nervous Diseases, is being started at Golders Green for 100 discharged men suffering from Neurasthenia, and arrangements are being made for a large extension of the hospital of the National Society for the care of Epileptics, at Chalfont St. Giles. In these cases, it is proposed that the Red Cross Society, acting as agents of the Minister of Pensions should provide the buildings, and the maintenance of the patients in them, being assisted by a payment of 3s. per head per diem by the War Pensions, &c., Statutory Committee.

12. Arrangements proposed by the War Pensions, &c., Statutory Committee, and the Board of Control are under the consideration of the Minister of Pensions, by which discharged sailors and soldiers certified as lunatics will be treated in Asylums as "service" patients, and receive certain indulgences if their state of mind enables them to appreciate them.

13. Arrangements have been made by the National Health Insurance Commissioners, and are in operation, for securing that a soldier discharged as suffering from pulmonary tuberculosis or known at the time of discharge to be so suffering should, where the Military Hospital Authorities report residential treatment essential and the patient accepts, be admitted immediately to a sanatorium or hospital without being required to go on a waiting list and take his turn with the civilian patients awaiting residential treatment. It is now proposed to give a discharged soldier a second chance of accepting this preferential residential treatment within three months of his discharge, and also to bring every discharged tuberculous soldier under the notice of the Insurance Committee of his locality, and to give those Committees an inducement to get discharged men to avail themselves of the treatment at the stage at which it would be of most value, viz., within the first three months after discharge.

14. Apart from the out-patient treatment referred to in paragraphs 5 and 6 above, and to residential treatment dealt with in paragraphs 9 to 13, there remains general practitioner treatment. This is the Medical Benefit under the National Insurance Acts to which the great number of the disabled men are already entitled, and which will be extended to the small remainder.
It has been agreed with regard to Sickness Benefit under the National Insurance Act, as modified by the amending Act of 1915, that the Approved Societies should be relieved of the additional expenditure that is falling on them solely on account of the war. The societies put forward a scheme by which whenever a disabled man claimed sickness or disablement benefit it should be decided whether his sickness or disablement was or was not due to his war service, his claim, paid in the first instance by his society, being recoverable or not recoverable from the Minister of Pensions, according to that decision. In place of this system, which would involve great difficulties in working, costly administration, and grave risk of unchecked malingering, an assessment of the proportion of benefits which should be put down to war injuries, based on a comparison of payments to men over periods before and after disablement, has been suggested. This suggestion is now under consideration of the Approved Societies.

15. The War Pensions, &c., Statutory Committee have issued various instructions to Local War Pensions Committees with regard to making use for the re-education of the partially disabled of Polytechnics and Technical Institutes (of which thirteen in London and forty elsewhere in England, Wales, and Scotland, have offered technical and industrial classes), of voluntary centres, such as Lord Roberts's Memorial Workshops (of which eight are running, employing some hundreds of maimed men), and of private employers, including farmers. A number of individual men have through the Local Committees received training in London and in some of the provincial towns, but the same difficulties as exists in getting the men to submit to treatment, referred to in paragraph (i) above, exists with regard to training. It is hoped to overcome it by the provisions of the Statutory Committee Regulation and the new Royal Warrant mentioned in that paragraph, and by making a man's minimum pension independent of earning capacity and so unaffected by increased earning power.

16. Under the auspices of the War Pensions, &c., Statutory Committee some twenty advisory boards consisting of representatives of Employers, Trade Unions, and Local War Pensions Committees, have been established to settle difficulties in assessing the wages of disabled men, and investigations have been made into the industries on which these men can most suitably be employed in different localities.

17. A class of men not specially referred to in the foregoing paragraphs are those incapacitated by disease, &c, to whom pensions have not been granted, the reason in the great majority of cases being that their incapacity was not caused nor aggravated by military service. When the new Royal Warrant takes effect it is proposed that these men should receive gratuities depending in each case on the extent to which the man is incapacitated from contributing to his own support, and the length and character of his service. The grant of this gratuity will be made dependent on the man undergoing treatment or training or both when deemed necessary.

18. Tables are annexed showing the total number of men who have been awarded pensions and whose claims to pension have been rejected up to the end of the year 1916, the principal injuries and diseases on account of which they have been discharged, and the numbers of artificial limbs and surgical appliances that have been provided or ordered for their use.

February 5, 1917.
### Table I.

**Pensions to Disabled Soldiers up to December 31st, 1916.**

<table>
<thead>
<tr>
<th>Category</th>
<th>Totally Disabled</th>
<th>Partially Disabled</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent pensions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totally disabled</td>
<td>447</td>
<td></td>
<td>2,788</td>
</tr>
<tr>
<td>Partially disabled</td>
<td></td>
<td></td>
<td>3,235</td>
</tr>
<tr>
<td>Temporary pensions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totally disabled</td>
<td>16,691</td>
<td></td>
<td>102,927</td>
</tr>
<tr>
<td>Partially disabled</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Applications rejected: 119,448

### Table II.

**Return of Discharged Warrant Officers, Non-Commissioned Officers, and Men disabled through the War with Germany, from outbreak of War to December 31, 1916.**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Total to December 31, 1916</th>
<th>November</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eyesight cases</td>
<td>2,061</td>
<td>2,091</td>
</tr>
<tr>
<td>Wounds and injuries to legs (necessitating amputation)</td>
<td>2,936</td>
<td>2,272</td>
</tr>
<tr>
<td>&quot;  &quot;  &quot;  arms and hands (necessitating amputation)</td>
<td>1,096</td>
<td>1,368</td>
</tr>
<tr>
<td>&quot;  &quot;  &quot;  legs (not necessitating amputation)</td>
<td>12,892</td>
<td>12,377</td>
</tr>
<tr>
<td>&quot;  &quot;  &quot;  arms</td>
<td>7,278</td>
<td>6,978</td>
</tr>
<tr>
<td>&quot;  &quot;  &quot;  hands</td>
<td>7,421</td>
<td>7,275</td>
</tr>
<tr>
<td>&quot;  &quot;  &quot;  head</td>
<td>5,001</td>
<td>4,795</td>
</tr>
<tr>
<td>Hernia</td>
<td>749</td>
<td>717</td>
</tr>
<tr>
<td>Miscellaneous wounds and injuries</td>
<td>5,267</td>
<td>5,068</td>
</tr>
<tr>
<td>Chest complaints</td>
<td>11,166</td>
<td>10,226</td>
</tr>
<tr>
<td>Rheumatism</td>
<td>4,789</td>
<td>4,408</td>
</tr>
<tr>
<td>Heart disease</td>
<td>11,188</td>
<td>10,556</td>
</tr>
<tr>
<td>Epilepsy</td>
<td>1,201</td>
<td>1,102</td>
</tr>
<tr>
<td>Nervous diseases</td>
<td>5,032</td>
<td>3,891</td>
</tr>
<tr>
<td>Insanity</td>
<td>720</td>
<td>625</td>
</tr>
<tr>
<td>Deafness</td>
<td>4,881</td>
<td>3,931</td>
</tr>
<tr>
<td>Frostbite (including 71 cases of amputation of feet and legs)</td>
<td>1,022</td>
<td>1,048</td>
</tr>
<tr>
<td>Miscellaneous disabilities (Bright’s disease, debility, ulcer of the stomach, varicose veins, &amp;c.)</td>
<td>14,888</td>
<td>13,213</td>
</tr>
</tbody>
</table>

Total: 97,328

### Table III.

**Return of Artificial Limbs and other Appliances supplied to Disabled Soldiers since the outbreak of the present War up to the 31st January, 1917.**

<table>
<thead>
<tr>
<th>Artificial Limbs</th>
<th>Supplied</th>
<th>On Order</th>
<th>Not Ordered</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legs</td>
<td>3,478</td>
<td>32</td>
<td>109*</td>
<td>3,639</td>
</tr>
<tr>
<td>Arms</td>
<td>1,991</td>
<td>26</td>
<td>109†</td>
<td>2,142</td>
</tr>
</tbody>
</table>

| Total            | 5,469    | 78       | 238         | 5,786 |

* Including 6 died. † Including 98 who did not wish to be supplied.
### Artificial Limbs

<table>
<thead>
<tr>
<th></th>
<th>Supplied</th>
<th>On Order</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legs</td>
<td>167</td>
<td>219</td>
<td>486</td>
</tr>
<tr>
<td>Arms</td>
<td>118</td>
<td>218</td>
<td>336</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>285</strong></td>
<td><strong>537</strong></td>
<td><strong>822</strong></td>
</tr>
</tbody>
</table>

### Colonial Troops

<table>
<thead>
<tr>
<th></th>
<th>Supplied</th>
<th>On Order</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legs</td>
<td>173</td>
<td>81</td>
<td>254</td>
</tr>
<tr>
<td>Arms</td>
<td>99</td>
<td>105</td>
<td>204</td>
</tr>
<tr>
<td><strong>Total limbs supplied or on order</strong></td>
<td><strong>272</strong></td>
<td><strong>186</strong></td>
<td><strong>458</strong></td>
</tr>
</tbody>
</table>

The fresh cases in which orders have been issued by Chelsea during the month of January, 1917, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Supplied</th>
<th>On Order</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legs</td>
<td>314</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arms</td>
<td>241</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>555</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Artificial Appliances other than Limbs

<table>
<thead>
<tr>
<th></th>
<th>Supplied</th>
<th>On Order</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgical boots (with or without leg instruments)</td>
<td></td>
<td></td>
<td>2,390</td>
</tr>
<tr>
<td>Artificial eyes</td>
<td></td>
<td></td>
<td>1,519</td>
</tr>
<tr>
<td>Trusses and belts</td>
<td></td>
<td></td>
<td>355</td>
</tr>
<tr>
<td>Miscellaneous (splints, skull caps, teeth, &amp;c.)</td>
<td></td>
<td></td>
<td>2,645</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>6,869</td>
</tr>
</tbody>
</table>

The majority of the crutches have been supplied to the Limbless Hospitals for use in cases of amputation of leg.
DUTIES AND FUNCTIONS OF THE AIR BOARD, AND ITS RELATIONS WITH THE ADMIRALTY, WAR OFFICE, AND MINISTRY OF MUNITIONS.

(Letter from Secretary, Air Board, to Secretary, War Cabinet, together with a Memorandum by the Air Board, dated February 1, 1917.)

A.B. 81/11.

Sir,

Air Board Office, Strand, W.C., February 1, 1917.

I am directed by the President of the Air Board to refer to Sections 7 and 8 of the New Ministries and Secretaries Act, 1916, and to the proceedings of the War Cabinet of the 22nd December, 1916, when the Cabinet determined in outline the duties and functions of the Air Board and its relations with the Admiralty, War Office, and Ministry of Munitions. The Cabinet decided that the details of the new arrangement should be worked out in consultation between these Departments.

I am now to forward, for the approval of the War Cabinet, a Memorandum embodying the conclusions which have been arrived at by the four Departments as a result of discussion of the subject.

It will be observed that the Memorandum embodies the material portions of the resolution of the War Committee of the 11th May, 1916, and of the draft conclusions of the War Committee of the 27th November, which were approved by the War Cabinet on the 22nd December, 1916, with two substantial alterations, apart from some slight modifications of wording. The two alterations are the following:—

In the first place, the decision of the Cabinet to entrust the design as well as the supply of aircraft to the Ministry of Munitions was found to give rise to certain difficulties. That Department, constituted primarily as a manufacturing or supply department, did not consider itself well adapted to dealing with the highly specialised duty of selecting and approving the designs of aircraft. The science of aeronautics is at present in a state of such rapid and constant growth that it appeared expedient that its application to questions of design should be in the hands of a body on which the Naval and Military Flying Services were directly represented, and an agreement was arrived at accordingly that the Air Board should be charged with this duty. The accommodation in close proximity under one roof in the new premises of the Air Board of the Departments dealing with Design and Supply respectively will secure their complete co-ordination.

In the second place, it was agreed by all concerned that better results would be obtained if the distinction made in the records of the proceedings of the War Cabinet of the 22nd December, 1916, between the treatment of aeroplanes and seaplanes, by which the former were to be designed and supplied by the Ministry of Munitions and the latter by the Admiralty, were not insisted upon. Aeroplanes and seaplanes are manufactured by the same firms, are built out of the same raw materials, and present in points of design, in a large measure, the same problems. In these circumstances it is proposed that the design and supply of seaplanes should be dealt with in the same manner as the design and supply of aeroplanes.

I am to express the hope that the War Cabinet may see fit to approve the Memorandum, which has been drawn up on this basis.

* Note by the Secretary to the War Cabinet. — See War Cabinet 15, Minute 9.
It will be seen that the Memorandum restricts the province of the Air Board to questions of naval and military aeronautics. The conclusion of peace will bring with it urgent problems of another order.

The rapid development of aeronautics during the war will give an immediate impetus to commercial aviation, the development and regulation of which both from a domestic, an Imperial, and an international standpoint, will present problems which will need consideration by a body familiar with the technical conditions which those problems involve.

Apart from this, the disposal of large quantities of costly aeronautical material, which may be surplus to peace requirements and will deteriorate rapidly, will have to be considered. The needs of the Dominions and the requirements of commercial aviation may present the means of disposing of part of this material.

The Air Board is of opinion that it would be in the public interest that it should be given power to consider and discuss these questions in good time with departmental and other assistance as may prove necessary. Their consideration should not be unduly hurried, while the correspondence involved, e.g., with the Dominions, may occupy a considerable period.

I am accordingly to suggest that the Cabinet should add a paragraph to the enclosed Memorandum to the following effect:—

"The Air Board will have power to consider the problems connected with the development and regulation of aviation for civil and commercial purposes and to make recommendations to the Departments concerned."

I am further to suggest that, in view of the public interest taken in the new arrangements to be adopted in connection with the Air Services, it would be desirable that the enclosed Memorandum, if approved by the Cabinet, should be published, and I am to ask the authority of the Cabinet for doing so.

I am, &c.

H. P. HARVEY.

The Secretary,
War Cabinet,
10, Downing Street, S.W.

Enclosure.

Memorandum by the Air Board.

1. The Board will be composed of—

The President,
The Parliamentary Secretary,
The Fifth Sea Lord of the Admiralty,
The Director-General of Military Aeronautics,
Two Representatives of the Ministry of Munitions,
Additional Members, as may from time to time be found desirable.

The naval and military representatives shall each be authorised to bring to meetings of the Board an assistant if and when they think fit. In case of the absence of the Fifth Sea Lord or the Director-General of Military Aeronautics, an officer will be deputed to represent the Admiralty or War Office.

2. The Board shall be free to discuss matters of policy in relation to the air, and to make recommendations to the Admiralty and War Office thereon.

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

4. The Admiralty and War Office will formulate the programmes of aerial production required for the fulfilment of the approved policy, and will refer those programmes for the consideration and concurrence of the Air Board.

5. The Air Board will decide as to the extent to which it is possible to approve the departmental programmes, having regard to the possible rate of production, the needs of the other Department, the respective urgency of the demands, and the supplies agreed to be given to Allied Governments.
6. The Air Board will select and be responsible for the designs of aeroplanes and seaplanes, with their engines and accessories, which are to be constructed for the purposes of the approved programme and for experimental purposes.

7. For the purpose of carrying out its duties in connection with design a Technical Committee will be constituted under the Air Board as follows:—

Chairman, to be appointed by the President of the Air Board.
Two representatives appointed by the Admiralty.
Two representatives appointed by the War Office.
Two representatives appointed by the Ministry of Munitions.

Three other members possessed of special qualifications may be appointed by the President; at least one of them shall have present day manufacturing experience.

The officers selected to represent the above Departments of the Government may be assisted or replaced by other representatives as may be found convenient.

The representatives of either of the three Departments may appeal to the Air Board in the event of their disagreeing with a decision of the majority of the Committee.

8. One of the members of the Technical Committee will be the Executive Director of the Technical Department of the Air Board.

9. An Inventions Committee will be appointed by the President of the Air Board, in which will be amalgamated the functions of the Aeronautical Sections of the Naval Board of Invention and Research and of the Munitions Inventions Department.

10. Experiments for the Naval and Military Air Services will be conducted for those Services through the Technical Committee. For this purpose, Naval and Military Air Service experimental stations will, while remaining under the Admiralty and War Office for administration, pay, and discipline, be placed at the disposal of the Technical Committee, which will issue its instructions through the Service members of the Air Board. The experimental stations in question are the following (to be agreed upon from time to time).

11. The Royal Aircraft Factory will be placed under the Ministry of Munitions, and the designs prepared at the Factory will be dealt with in the same way as those submitted by a contractor. It is understood that the Ministry of Munitions will permit the facilities of the Factory to be utilised largely for the purpose of conducting the experiments which are desired by the Technical Committee.

12. The Air Board will furnish approved plans and specifications to the Aircraft Supply Department of the Ministry of Munitions.

13. No modifications of design, other than trivial alterations within the discretion of a superintending inspector, will be made without the concurrence of the Air Board.

14. The numbers and designs of the aeroplanes, seaplanes, engines, and accessories respectively to be ordered, having been determined by the Air Board, will be notified to the Director of Munitions Requirements and Statistics through the Controller of Aeronautical Supplies of the Ministry of Munitions, who will be responsible for their production, in conformity with the approved designs, and who alone is authorised to give instructions to manufacturers.

15. Inspection during manufacture will be carried out by the Ministry of Munitions.

16. All reasonable facilities will be afforded to expert officers of the Air Board and of the Services to have access to manufacturers' works.

17. The Ministry of Munitions will hand over to the Air Service for which they are destined, for trial and acceptance, the aeroplanes, seaplanes, engines, and accessories, when manufactured, at the manufacturers' works.

18. For the purpose of giving effect to the above organisation, the officers and staff at present engaged under the Admiralty and the War Office on the duties of design and supply of aeroplanes, seaplanes, engines, and accessories and on the Board of Invention and Research will, so far as may be required and possible, be lent for services with the Air Board or the Ministry of Munitions.

19. Any of the Departments represented on the Air Board, and the Air Board itself, will have the right of appeal to the War Cabinet in case of dispute.
THE CANCELLING OF EXEMPTIONS GRANTED TO MEN BETWEEN 18 AND 22.

I.—Note by the Chancellor of the Exchequer.

II.—Memorandum by the Board of Inland Revenue.

III.—Memorandum by the Board of Customs and Excise.

I.

I CIRCULATE to my colleagues two memoranda—one from the Board of Inland Revenue, the other from the Board of Customs. I have gone carefully into this case, and am satisfied that it would be a great mistake to put into the Army any of the four classes referred to in the memoranda, namely: (1) Surveyors and assistant surveyors; (2) estate duty officers; (3) waterguard, and (4) customs and excise officers.

This is not a question of clerical work but of experts, who seem to me to be necessary, both for the collection of revenue and, in the case of the customs officers, for the execution of necessary war work.

The total number involved is 622.

February 9, 1917.

(Initialled) A. B. L.

II.

Further Releases of Inland Revenue Officials for Military Service.

1. In accordance with your instructions to us of this morning, we submit the following observations on the circular letter, dated the 6th instant, from the Director-General of National Service.

2. The budgets of the past few years have involved an expansion of this Department, amounting in effect to the creation of a large new Department, and the increase in the volume of the work has been accompanied by the introduction of further complexities into duties already of a highly technical character. (It may be mentioned that the receipt of the duties under our management in 1908-9 was £62,000,000, in 1913-14 was £88,000,000, while for the current year we anticipate a receipt of not less than £365,000,000.)

3. It follows that the proportion of young officials is extraordinarily high at the present time.

4. The Department may, roughly, be said to consist of: (a) a large central staff located at Somerset House, Edinburgh, and Dublin, and (b) a tax surveying branch, scattered over the whole country in between 600 and 700 district offices, and (c) a land valuation branch, with about 100 local offices.

5. As regards (a) and (c)—long before the receipt of the circular letter—we had released (so far as fit for general military service) all second division clerks under 26 years of age, all assistant clerks under 31, all permanent valuation officials under 31 (any temporary valuation officials being left entirely to the discretion of the military tribunals), and practically the whole mechanical staff up to 41.

6. As regards (b)—i.e., the tax surveying branch—our difficulties were, and are, immense, for the reasons given in the correspondence (of part of which you have had copies) between us, the Man-Power Distribution Board, and the Director-General.
7. The branch consists of surveyors and assistant surveyors and tax clerks. Below the age of 23 there are still at work about 120 of the former (whose medical classification is not known) and about 350 of the latter, who have been passed fit for general military service (i.e., Class A).

8. With regard to the surveyors and assistant-surveyors, we need hardly emphasise to you that this body is the pivot of our tax system. The shortage of fully trained men is so serious that the withdrawal of the 120 men just mentioned (the great majority of whom have, at all events, had some years technical experience) would react disastrously on the ability of a service, already so severely tried, to maintain the revenue so urgently required for the war. You will remember that this staff is responsible for the efficient conduct and productivity of the hundreds of local tax offices—which task has been rendered infinitely more difficult by the absence of adequately trained clerical staff.

We therefore regard the retention of these 120 men as essential.

9. With regard to the tax clerks, we should mention that 400 further releases (authorised by us before receipt of the Director-General’s circular letter) are now proceeding. The circular letter involves the release (as stated above) of about 350 more.

In the case of these 350 men—whom we had hoped in any event to release by degrees as the training of substitutes progressed—we earnestly desire to keep them, if it be at all possible, for a few weeks longer, so as to obviate the great dislocation and difficulty attending the simultaneous departure of so large a number as 750.

This interval of a few weeks would enable us to recruit, and give some rudimentary training to, the female substitutes we should engage in continuation of the policy under which some 1,300 women are already employed in our local tax offices.

We therefore regard the retention of these 120 men as essential.

10. Apart from the Tax Surveying Branch, there is one matter, fortunately affecting only a small number of men, to which we ought to draw your attention.

In our Estate Duty Office there are 34 technical officers who would be affected by the Director-General’s circular. The work of that office is highly technical; the technical establishment of 345 has already been reduced to 285, and the withdrawal of approximately one-eighth of this balance (there being no reservoir of substitutes) could only be contemplated with misgiving.

E. E. NOTT-BOWER.
N. F. W. FISHER.

Board of Inland Revenue,
February 8, 1917.

III.

Memorandum by the Board of Customs and Excise.

I received to-day from the National Service Department a letter from Mr. Neville Chamberlain saying that “in accordance with the decision of the War Cabinet he has to direct that every Government Department shall forthwith cancel all exemptions granted by their authority to men up to and including 22 years of age and passed fit for general military service.”

I feel bound to call your attention at once to the effect this will have on my Department.

If the Order were confined to men doing clerical work, I should not trouble you, as Order would not affect this Department. We have combed our clerical staff drastically, and we have no clerks fit for service under 23.

But the Order, as worded, is not so limited, and I am bound to interpret it as applying to our outdoor service.

This means that we must surrender at once the following numbers:

Waterguard, 168.
Customs and Excise officers, 300.

The work done by these two classes, and the reasons for regarding them as entitled to special treatment, were fully explained in a memorandum which we sent to the Man Power Board in October last; they may be summarised as follows:
Work of the Customs and Excise Outdoor Service.

The work falls under three main heads:—

1. Revenue;
2. Old-Age Pensions;
3. Special war work undertaken for other Departments, principally War Office and Admiralty;

and it is to the last of these three heads that I specially wish to call your attention, for two reasons, first, because my Department is the only Department doing such work, and, secondly, because the work itself is most important.

Waterguard Service.

The primary duty of the Waterguard is to prevent smuggling. Their work necessitates a continuous watch over ships, and all-night attendance is a regular feature of service. Since the war their revenue duties have been overshadowed by constantly increasing demands for the performance of non-revenue war work; for example, the rummage of ships for concealed contraband or mines; the enforcement of the restrictions on the landing and embarkation of aliens; the control of all goods shipped as ship's stores, especially such dangerous goods as petrol or lubricants, which might reach enemy submarines; the control of coal and fuel oil as bunkers, the search of passengers' luggage (outwards as well as inwards) for the numerous things which in war have to be watched; control of wireless installations of ships in port.

The work constantly increases, the staff steadily diminishes, and no substitutes can be found. A service whose members ought to be able to row a boat in a gale and then crawl about the ballast tanks of a ship cannot be recruited from old or medically unfit men or women.

Customs and Excise Officer Grade.

1. Revenue Work.—Essentially skilled work, some of it highly technical, requiring considerable training; assessment of duties Customs and Excise; supervision of breweries, distilleries, tobacco factories, match factories, aerated water factories.

2. Old-Age Pension Work.—Intricate and difficult, and much criticised. The officers are Treasury watch dogs over an expenditure of 13 millions a year.

3. War Work.—
   (a.) Detailed control of all exports and imports, to enforce import and export prohibitions, to detect trading with the enemy (an immense amount of responsible work, involving knowledge of intricate instructions, varying from day to day).
   (b.) For Foreign Office. Reporting details of cargo compiled from the manifests and bills of lading of diverted and calling ships for purposes of blockade. (This work involves a minute scrutiny of the ship's papers (often several hundred documents), and not only extracting all the information the Foreign Office require, but picking up any unusual or suspicious circumstances which may influence the Foreign Office decision on the cargo as a whole or individual items of cargo. And not only must the work be done with the greatest care, but it must be done in the least possible time, mistakes or delay being equally undesirable from a diplomatic point of view.)
   (c.) For Admiralty. Giving confidential verbal instructions to masters of outgoing ships as to routes, &c. (any mistake involving very serious consequences)
   (d.) For Treasury. Investigation of claims for additional allowances by old-age pensioners suffering special hardship in consequence of the war; work intricate in character, claims about 1,000,000, and any delay in investigation certain to give rise to complaints in Parliament.
   (e.) For the War Office and Admiralty. Investigating claims to separation allowances by the dependants of unmarried sailors and soldiers; work, though analogous to the old-age pension work in time of peace, entirely new, calling for much careful investigation; over 1,700,000 claims already dealt with; work was further complicated and increased in March, 1915, by the institution of a system of appeals, necessitating a re-investigation of some 50,000 cases.

Continuous Pressure of Work in Customs and Excise Officer Grade.

Since the war the work has constantly increased, and the staff, already depleted by the absence of men with the colours, has steadily wasted from natural causes.
We have only kept our heads above water by relaxing our revenue safeguards to a dangerous extent, by recalling pensioned men, and by employing women. There has been constant overwork and we at one time feared a strike.

Even with all our efforts the war work suffered. We could not get through the Separation Allowance claims fast enough to satisfy either the War Office, or the Admiralty, or the public, still less ourselves.

When we reported to the Man Power Board in October last, we said that we were not in a position to spare a single man from the Customs and Excise Officer Grade. By this we did not, of course, mean that any particular young officer could be branded indispensable—no individual is indispensable—but that the numbers of men in the grade at our disposal to employ wherever there was pressure could not be safely diminished.

Present Position.

Since October, some of the war work has diminished, and some of a temporary nature has been disposed of; we have carried dilution of staff farther, and we decided last month to release voluntarily and at once 150 men of the Customs and Excise Officer Grade. These we are now selecting, and hope to be able gradually to comb out some more.

As to the Waterguard, the position is unchanged: i.e. We ought not to spare a single man.

If we have to surrender at once 300 Customs and Excise Officers and 168 Waterguard our machine must fail, and it will fail over war work as much as over Revenue or Old-Age Pensions.

It is on behalf of war work that I specially appeal to you. I cannot believe that, if they know the facts the War Cabinet will jeopardise it for some 300 raw recruits, and I hope you will see your way to ask that, either by way of formal exemption or by confidential directions to me, the two classes of officers known as (1) Waterguard, and (2) Customs and Excise Officers may be excluded from the operation of the Order.

February 8, 1917.

L. N. GUILLEMARD.
SECRET.
G.-128.

PROPAGANDA—A DEPARTMENT OF INFORMATION.

MEMORANDUM BY MR. JOHN BuchAN.

(Previous Papers Nos. G.-101, G.-102, and G.-103.)

In this memorandum questions of policy are not touched upon, as they have been fully dealt with in Mr. Donald's report. Nor does it enter into detail with regard to the working of the suggested branches. Its object is to sketch the machinery which, in the opinion of the writer, if properly worked, would carry out the wishes of His Majesty's Government, and get rid of the defects which have hitherto been conspicuous in our publicity and propaganda work.

I.—A Department of Information.

The first essential is that the whole work of publicity and propaganda should be centralised in one Department under a responsible director. At present the work is done by the Foreign Office, the Admiralty, the War Office, and to some small extent by the Home Office.

The new Department should be directly under the Prime Minister.

It would have two main functions—propaganda, or the putting of the Allied case in neutral countries, and the explanation of the British effort in Allied countries, with the object of ensuring a wholesome state of public opinion; and, at the same time, the direction of British opinion when direction is needed.

It is not suggested that there should be any attempt to spoon-feed the British press. Newspapers, as before, will be free to enter into direct relations with the different Government Departments. But the War Cabinet may desire to give a lead to British opinion, either by the confidential disclosure beforehand to responsible editors of some line of policy or coming event, or by the publication of some statement or other. This would naturally be done through the Department of Information.

II.—The Director.

To ensure efficient control it is necessary (a) that the Director of Information should have a completely free hand as to personnel and (b) that he should operate upon funds from which payments could be made without unnecessary delays. In all propaganda time is of vital importance.

(a.) In the several existing Departments which deal with propaganda there are a large number of able men who have done admirable work. Many of them are in the wrong positions, and the work of all has suffered from the lack of central direction. I am confident that the bulk of this personnel could be used in the new Department, and that the staffing of it would be no serious difficulty. The nucleus of a very competent staff exists both at home and abroad, and it will not be hard to get hold of suitable people for new developments. A certain amount of surplusage can be dispensed with, and there must be a general revision of salaries, which in some cases are too high. In my opinion the number of people employed in the new Department of Information need not be much larger than the number formerly employed, and the total cost of salaries might be less.

(b.) With regard to finance, so far as possible I think it desirable that the Department should operate on Secret Service funds. At present there is a good deal of confusion in financial arrangements, and it will be necessary to have a competent financial controller.
With regard to the Director himself, it is desirable that he should be a civilian at home and have military rank during his visits to France. He will have to keep pretty closely in touch with General Headquarters, and make frequent visits to the Continent, and for this military rank will be a very real advantage. There is no reason why that rank should be high, but it might be well if he were made a Staff officer. I understand that General Headquarters would have no objection to some such arrangement.

III.—An Advisory Committee.

It is desirable that the Director should be assisted—at any rate at the start—by a small Advisory Committee of men who are experts in publicity work. This Committee would have no executive functions. I suggest that it might be composed of four representative British editors or newspaper proprietors, and perhaps the manager of Reuters.

IV.

The attached diagram will show the proposed organisation of the Department. I attach notes on the various branches.

DEPARTMENT OF INFORMATION.
MINISTER
Director (Advisory Committee)

Liaison Officer with General Headquarters | Liaison Officer with War Office | Liaison Officer with Admiralty | Liaison Officer with Foreign Office

(a.) Cables and wireless.
(b.) Literature.
(c.) Photographs and pictures.
(d.) Cinema films.
(e.) Visits and entertainment.
(f.) The British Dominions.
(g.) France.
(h.) Russia.
(i.) Italy and Balkan States.
(j.) America. Spain, and Portugal.
(k.) Holland and Switzerland.
(m.) Moscow World.
(n.) Enemy propaganda.
(o.) Financial Secretariat.

The Liaison Officers.—These are very important in order to keep the Director in touch with the different Government Departments which propaganda concerns. It is vital that no propaganda should be in conflict with the views of the Foreign Office, the War Office, or the Admiralty, and the Liaison Officers must possess the complete confidence both of the Director of Information and the Office to which they are attached. Take the case of the Foreign Office. Constant questions are turning up daily with regard to the blockade, or war trade, or events abroad, on which foreign newspaper correspondents are anxious for information, and this can only be got from the branches of the Foreign Office concerned. In the same way these correspondents seek information from War Office and Admiralty officials on military and naval points. It would be the duty of the Liaison Officers to facilitate the relations between their Departments and the Department of Information, and to keep the Director in touch with all new developments of departmental policy. The Liaison Officer with General Headquarters would be in a different position. He would really act as a censor on behalf of General Headquarters (who are the only authorities who can conduct a proper military censorship), and would hold a watching brief for them. To avoid constant delays in reference, it would be his task to advise whether any propaganda matter ought to be referred to General Headquarters or not. He must have experience of work at General Headquarters, and be thoroughly familiar with the situation on the fighting fronts. He would not himself, of course, have the power of censoring.

Of the eighteen sub-departments eight represent special functions and ten geographical areas.

(a.) Cables and Wireless.—This is perhaps the most important branch of all, and at present though a great deal of work is done, a great deal is done badly. There is delay in sending messages, and much unsuitable matter is cabled. It is important to bring the whole work of wireless, cabling, and telephoning into one sub-department to
The telephone might be far more used in connection with the nearer Continental countries, and close connection should be maintained with the representatives of the Maison de la Presse in London. I am convinced that the offices of the sub-department should be in Fleet Street in order that it may be in close contact with the great newspapers and with Reuters.

(b.) Literature.—This sub-department will deal with all publications, books, pamphlets, and magazines which are issued in English and other languages in the British and Allied interest. Hitherto this has been the staple of the whole propaganda business, and I am afraid it has been considerably over-done and a great deal of money spent unnecessarily. It is a vital branch, but less important now than at the beginning of the war. Much greater care must be taken as to the suitability of the matter issued.

The sub-department should also, in my opinion, endeavour to further the distribution in neutral and Allied countries of British books not of a propagandist character. At present the German, owing to his superior trade arrangements, has a practical monopoly, even in branches where works in English are the better article. As a publisher with a large international business, I am convinced that, with a little trouble, this ring can be broken.

(c.) Photographs and Pictures:—This sub-department would deal with the large mass of official photographs and their distribution, and also with the work of artists, of whom we are now sending out considerable numbers to the fronts.

(d.) Cinema Films:—This matter has been greatly bungled in the past, and many foolish contracts have been made. Even now it is subject to two quite different authorities. The sub-department should be managed by a small expert Committee under the Director, for no branch of propaganda has greater possibilities before it.

(e.) Visits and Entertainments:—On the whole this work has been well done. The sub-department would concern itself with the visits of journalists and others from Allied and neutral countries to Britain and to the fleets and the front, and with the visits of British journalists or public men to Allied and neutral countries. It should also concern itself with getting facilities for Allies and neutrals to see representative public men here. The modest hospitality which is possible in time of war would also come within its province.

(f. g. h. j. k. l. m. n. o.)—These sub-departments will have the care of propaganda within their areas. Each will be in charge of a man who is an expert in the particular subject. It will be their business, by means of representatives and correspondents, to follow very closely the currents of feeling in the different countries, and to decide what is the wisest form of propaganda in each. For example, the sub-department dealing with France will have a general oversight of all cables to France, of all propagandist literature, pictures, photographs, and cinemas circulating there, of all visits of Frenchmen here and of Englishmen to France; and will also act as an intelligence bureau to acquire information about popular feeling in the different French districts. Each sub-department will represent the expert knowledge available as to the particular country, and will consult and be consulted by the special departments such as Literature, Cables, Cinemas, etc., on all matters concerned with its province.

(p.) Enemy Propaganda:—This sub-department will follow closely the German press and wireless. German publications, the speeches of German statesmen and the activities of German agents abroad in order that enemy propaganda may be promptly met. It will not be, so to speak, a court of first enquiry, like the Intelligence Department of the Admiralty and the War Office, but will use the results arrived at by the Intelligence Departments with a special eye to counter-propaganda.

(q.) The Record Department:—It will be the business of this sub-department to test the effectiveness of the propaganda. It will keep a record of the activities of all the other sub-departments, and will check them by receiving reports on the results of propaganda in the different areas. Some such organisation is necessary to prevent lines of activity being followed which prima facie promise well, but which in practice do not yield adequate results.

There is one special branch which ought naturally to belong to the Department of Information. An enormous amount of work is being done at present in translating from enemy newspapers. The War Office, the Board of Trade and the Foreign Office all prepare digests, and undoubtedly there is a great deal of overlapping. These digests are all done on the whole, and to bring this work to present under the Department of Information would, I think, impose too heavy a strain upon a new department. I would
suggest that for the present these digests go on as before, but that the special American
digest, which Mr. Masterman’s office has hitherto prepared, should be transferred to the
American sub-section of the Department of Information.

(v) The Financial Secretary.—This needs no comment.

Logically the Press Bureau should also be a branch of the Department of
Information. It has two tasks—one distributive, and one restrictive. The second,
the Censorship, might well be improved, for at present it bristles with sins of omission
and commission; but to bring the Censorship under this Department at this stage
would be a very difficult task. As to the distributive side—the issue of official com-
muniqués—there is less difficulty, but at present the Press Bureau have a machinery
of telephones and messengers which it would be troublesome to duplicate. I suggest
that the whole question of the Press Bureau be left over for the present.

V.—The Housing of the Department.

At present the work is done in some rooms on the top floor of the Foreign Office,
part of the National Insurance Office at Wellington House, in some rooms at
82, Victoria Street, and in the Press Bureau, War Office, and Admiralty. Two plans
are possible with regard to the housing of the new Department:

(a.) To keep the existing staffs where they are and to find three or four rooms for
the Director and, perhaps, a couple of sub-departments not too far away
from Whitehall;

(b.) To get hold of some building to enable the whole Department to live under
one roof.

(a) has the advantage that it would save a little time and a considerable amount of
money and fuss. I am afraid, however, that it might lead the public to believe that
the old organisation was still going on, and, in particular, that the Department of
Information was still a branch of the Foreign Office. If it is at all practicable, it
might be wiser to clear the Department out of the Foreign Office altogether, as also
out of the War Office and Admiralty. There is no reason why one or two of the
sub-departments should not be still located at Wellington House and at 82, Victoria
Street. It will be necessary to domicile the Cabling department at Fleet Street,
where rooms can be easily got. For the rest, the Director and the principal sub-
departments should be established not too far away from Whitehall, so as to be
fairly near the Foreign Office, the War Office, and the Admiralty. If a portion—not
more than half a dozen rooms—of the Royal Automobile Club could be obtained it
would be an admirable arrangement.

February 3, 1917.

JOHN BUCHAN.
POSITION OF SHIPPING DURING 1917.

REPORT BY SIR ALFRED WATSON AND MR. ELDERTON TO THE SHIPPING CONTROLLER.

To Sir Joseph Maclay, Bart.,
Shipping Controller.

Wellington House, Buckingham Gate, S.W.,
February 19, 1917.

Sir,

1. FOLLOWING upon our preliminary report of the 26th January, we now beg to submit the results of our first investigation into the position of shipping during the year 1917.

2. Our estimates are based primarily upon the commodities imported and tonnage entered, as recorded monthly in the "Accounts relating to Trade and Navigation of the United Kingdom" issued by the Board of Trade. We have taken as our starting point the imports and entrances for each month of 1916, and assuming that under unaltered conditions the volume of trade for the corresponding months of 1917 would be represented by the same figures, have calculated the changes due to all the factors producing variations of tonnage which have been reported to us. To some extent the monthly values assigned to the factors in question are hypothetical since they involve the future. The returns which we hope to obtain periodically will, however, place us in a position to correct our assumptions up to date and to revise and extend our forecast in any direction which changing experience may render necessary.

3. In the present estimates we have brought under consideration changes from the 1916 experience, which may arise from the following causes:—

Producing Reduction of Tonnage available for Imports.

(a.) Net losses of British ships from war and marine risks, after allowing for replacement of losses by new ships at the rate of building prevailing in 1916.
(b.) Diminution of neutral entrances, whether arising from actual reduction of shipping or from diversion to other countries.
(c.) Increase in the requirements of Russia.
(d.) Increase—mainly for coal—in the requirements of Italy.
Provision of tonnage for railway material and rolling-stock for the army in France.

Increase of imports for the Ministry of Munitions.

Increase of imports for the War Office.

Carriage of wheat from Australia.

Possible increase of port and transit delays.

Producing Increase of Tonnage available for Imports.

Extension of the building programme.

Purchase of neutral shipping, existing and new.

Transfer of British shipping from abroad to ocean trade with the United Kingdom.

4. It will be seen from our references herewith to the several items detailed in the last paragraph, that at the moment we attribute but little influence on the general situation to some of them. Other elements of variations than those included in the above list will no doubt arise, and will be dealt with as they are made known to us.

5. In examining the operation of the above factors we deal generally with the ships of 1,600 gross tonnage and over, which represent the bulk of the ocean trade. Where, however, it is necessary to consider the position in regard to the smaller vessels we deal with it as far as the facts available permit.

Loss Factors.

(a.) Net Losses of British Ships.

6. The statements, as at the end of each month prepared by the Admiralty Transport Department, give the total gross tonnage of British ships (passenger and cargo) on the last day of each month from June 1916 onwards. Earlier than this date no complete returns appear to exist, but the returns of war losses which have been kept from the beginning of the war enable us to assess the net losses of gross tonnage for the first six months of 1916. In the period July-December 1916 the war losses were 606,106 tons, and the net losses 499,725 tons. From these figures we propose to assume that the net losses in each of the months January-June 1916 were five-sixths of the war losses of the corresponding months. After January 1917 we must, of course, assume a hypothetical figure for each month. For February, in view of the fact that in the first two weeks of the month the recorded net losses were 43,189 tons, we assume a total for the month of 150,000 tons, thus assigning to the last two weeks of the month an equal loss to that experienced in the last two weeks of January. For March and April caution suggests that higher figures should be assumed, namely, 200,000 tons in each month. After April it appears admissible to assume that enemy submarine activities will be checked to some extent, and we have reduced the assumed net losses to 150,000 tons in May and to 100,000 tons in each month after May.

7. We thus arrive at the following estimates of monthly net losses stated in thousands of tons (gross):

<table>
<thead>
<tr>
<th>Losses</th>
<th>1916</th>
<th>1917</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>55</td>
<td>175</td>
</tr>
<tr>
<td>February</td>
<td>57</td>
<td>160</td>
</tr>
<tr>
<td>March</td>
<td>77</td>
<td>200</td>
</tr>
<tr>
<td>April</td>
<td>113</td>
<td>200</td>
</tr>
<tr>
<td>May</td>
<td>51</td>
<td>150</td>
</tr>
<tr>
<td>June</td>
<td>36</td>
<td>100</td>
</tr>
<tr>
<td>July</td>
<td>32</td>
<td>100</td>
</tr>
<tr>
<td>August</td>
<td>72</td>
<td>100</td>
</tr>
<tr>
<td>September</td>
<td>102</td>
<td>100</td>
</tr>
<tr>
<td>October</td>
<td>86</td>
<td>100</td>
</tr>
<tr>
<td>November</td>
<td>118</td>
<td>100</td>
</tr>
<tr>
<td>December</td>
<td>92</td>
<td>100</td>
</tr>
</tbody>
</table>
8. Using the foregoing figures, we have prepared the following table showing the gross tonnage of British shipping at the end of each month from December 1916 onwards compared with the corresponding tonnage twelve months earlier:

<table>
<thead>
<tr>
<th>Month ending</th>
<th>Gross Tonnage at End of Month</th>
<th>Gross Tonnage at End of Month a Year previously</th>
<th>Decline in Tonnage in the Intervening Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 1916</td>
<td>15,278,000</td>
<td>16,149,000</td>
<td>871,000</td>
</tr>
<tr>
<td>January 1917</td>
<td>15,103,000</td>
<td>16,094,000</td>
<td>991,000</td>
</tr>
<tr>
<td>February/March</td>
<td></td>
<td>14,953,000</td>
<td>1,084,000</td>
</tr>
<tr>
<td>April</td>
<td>14,753,000</td>
<td>15,960,000</td>
<td>1,207,000</td>
</tr>
<tr>
<td>May</td>
<td>14,608,000</td>
<td>15,847,000</td>
<td>1,294,000</td>
</tr>
<tr>
<td>June</td>
<td>14,986,000</td>
<td>15,768,000</td>
<td>1,369,000</td>
</tr>
<tr>
<td>July</td>
<td>14,508,000</td>
<td>15,758,000</td>
<td>1,294,000</td>
</tr>
<tr>
<td>August/September</td>
<td>14,103,000</td>
<td>15,885,000</td>
<td>1,782,000</td>
</tr>
<tr>
<td>October/November</td>
<td>13,808,000</td>
<td>15,580,000</td>
<td>1,777,000</td>
</tr>
<tr>
<td>December</td>
<td>13,708,000</td>
<td>15,278,000</td>
<td>1,575,000</td>
</tr>
</tbody>
</table>

9. It will be seen from the last table that, whereas the British tonnage existing on the 31st December, 1916, was 15,278,000, it is estimated that on the 31st December, 1917, it will have fallen to 13,708,000. The reduction is equal to 10.3 per cent., or an average reduction throughout the year, of, say, 5 per cent. This average reduction of the tonnage existing at a given date is of no value unless the carrying power throughout the year is estimated on the basis of the tonnage existing at the beginning of the year. We do not think that any practicable estimate of the tonnage entrances throughout the year could be made on this basis. Tonnage has been continuously diminishing throughout the whole period of hostilities, and in order to judge the importing capacity of successive months of any one year reference must be made to the tonnage existing in the corresponding month of the previous year. From this point of view, which is, we submit, the only correct one to take, the average net reduction of British tonnage throughout 1917 (subject to what we have said above as to the necessarily hypothetical character of the estimates as to the future) is nearly 9 per cent. of the corresponding tonnage of 1916.

10. The figure last stated is based, it must be remembered, on total tonnage. The needs of the fighting forces do not admit of any reduction of the tonnage assigned to their service, unless owing to port delays or other reasons there is a leakage which is capable of remedy. The reduction of the tonnage available for civilian requirements is necessarily a much larger figure, and we estimate it (taking into account certain other relevant factors) at about 17 per cent. This refers only to British shipping. As we shall proceed to show, a loss of neutral tonnage to at least the same extent has to be provided for.

11. It is necessary to convert the estimated loss of tonnage shown in paragraph 8 into loss of tonnage entrances in each month of 1917. We have reason to believe, as a result of calculations to be explained later (see paragraph 30 below), that the average number of entrances which the vessels of over 1,600 gross tonnage make into the United Kingdom in the course of a year is 3-4. This may be held to indicate that of the tonnage engaged in the import trade at the end of each month, 28 per cent. will make an entrance into a United Kingdom port within the next following month. If, therefore, the tonnage engaged in import at the end of a given month is x tons less than the corresponding tonnage a year previously, 28 per cent. of x will be lost to the tonnage entrances in the next month as compared with the entrances recorded twelve months earlier. The figures in the last column of the table in paragraph 8 have therefore to be multiplied by 28, and when further multiplied by $\frac{4}{3}$ they show the effective loss of net tonnage entrances as compared with the corresponding month of 1916, which is the form in which all variations must be converted in order to make use of the monthly trade and navigation accounts. The figures of net loss of tonnage entrances so obtained are subject to a reduction of $\frac{6}{4}$ per cent. to eliminate tonnage of passenger vessels not available for cargo (see paragraph 35 below), and as thus adjusted are carried to the summary appended to this report.

12. In addition to the losses among vessels of over 1,600 gross tonnage, continuous reduction of tonnage has occurred among the smaller vessels, and this, while not a
large item in the aggregate, is proportionately the more serious that many of these smaller vessels, being engaged in foreign trade either within the home trade limits or with relatively near countries outside those limits, make a considerably greater number of entrances in the course of a year than do the larger vessels. We find that in the twenty-seven months, October 1914–December 1916, 110 small trading vessels were lost, representing a gross tonnage of 128,000. Of these, however, 73 vessels, representing a tonnage of 67,703, were lost in the year 1916, this representing a monthly loss of over 5,600 tons (gross) a month. These vessels make, we estimate, an average of eight entrances a year; and after adjusting the figures, therefore, for marine losses and for replacements, and for the exclusion of tonnage of passenger vessels not available for cargo, we conclude that the effective reduction of net tonnage entrances during 1917 due to the loss of small vessels will be 20,000 tons a month. This figure is also carried to the Summary.

(b.) Reduction of Neutral Tonnage Entrances.

13. The reduction under this head must be estimated on a different basis from that employed in the case of British shipping. Neutrals are free to trade in all parts of the world, and an estimate based merely upon losses, and disregarding diversions of shipping from trade with the United Kingdom, whether due to submarine risks or world freight conditions, would be fallacious. The only practicable course is, in fact, to make a general estimate of the probable loss of entrances in each month, based to some extent upon past experience, but taking into consideration also the new factors which have come into operation.

14. We find that in 1916 the total net tonnage entrances of neutral shipping* were 9,831,404 tons, as against 10,862,166 tons in 1915. The reduction for the whole year was thus 9.1 per cent. But in the first two months of 1916 the entrances were 10 per cent. greater than in the corresponding period of 1915; between March and August the losses were 9.4 per cent. and in the last four months of the year they were 17 per cent. Matters were thus getting progressively worse during 1916. In January 1917 the reduction, compared with January 1916, was 16 per cent., and we presume that, in the known circumstances, a large addition to this figure must be looked for in regard to February and March. We have assumed, therefore, that the reduction of neutral entrances will be equal in February to 33 per cent. of the entrances of February 1916; in March to 25 per cent. of the entrances of March 1916; and in each month of 1917 thereafter to 20 per cent. of the entrances for the corresponding month of 1916. The figures thus obtained, and aggregating a loss of entrances of over 2,000,000 tons net, are reduced by 5 per cent. to eliminate the non-cargo capacity of passenger vessels before being carried to the Summary.

15. In connection with this subject we have considered the possibility of an increase in the available shipping owing to enemy ships in neutral ports coming into trade as a result of the resentment excited by the recent German declarations. According to articles in the press, the enemy tonnage locked up is substantial, but it would be unlikely that all of it would become available to trade or that the part becoming available would all come to the United Kingdom. While, therefore, we might receive some assistance from this source before the end of 1917, it does not seem possible to make a definite estimate until matters have developed further.

(c.) The Russian Programme.

16. We have received a statement showing (a) the tonnage required to supply the full amount of munitions and coal asked for by Russia; and (b) the full amount of munitions and the same amount of coal as last year. We have compared the requirements for 1917 with what happened in 1916, and after making allowance for return cargo (which may be taken as not more than last year), &c., we conclude, on a general review of the situation that the loss in shipping may be taken as 2,728 vessels for one week under (a) or 817 under (b). These figures represent total losses in 1917 of about 504,000 and 169,000 net tonnage entrances respectively and the larger of these losses (i.e., that incidental to the fulfilment of the whole programme) is entered in the summary and distributed over the appropriate months. In explanation of the gains in tonnage under this head at the end of the year it may be mentioned that the shipping has been arranged this year so that the cargoes to Russia are

* In using the convenient term "neutral shipping," we have included such allied tonnage as enters British ports.
carried at earlier dates. If delays take place the distribution will be altered, but unless the derangement is considerable we do not expect the total loss above named to be exceeded.

(d.) Coal for Italy.

17. The demands for coal for Italy have increased considerably, but after discharging coal at Italian ports the vessels will be available for importing goods to the United Kingdom on the return journey, and there is therefore no decrease in import from this cause to be taken into account.

(e.) Tonnage for Railway Material, &c., for France.

18. There is an increased demand for railway material for the Expeditionary Force in France, which means the continuous use of about 50,000 net tons of shipping. This tonnage would not have made its next entrance in the ordinary course immediately, and we show the corresponding loss of tonnage entrances from February onwards throughout the year.

(f.) Increased Requirements of the Ministry of Munitions.

19. We have asked for a return of the imports of 1916, but this is not yet completed. In the circumstances we have assumed that increased shipments during 1917 will be made to the extent of 1,000,000 tons weight as compared with 1916. We assume that of this class of imports about 200 tons will be carried to each 100 net tons of shipping.

(g.) Increase of Imports for the War Office.

20. From returns supplied to us by the War Office Contracts Departments, we estimate that, exclusive of foodstuffs and timber, the War Office requirements will absorb 200,000 net tonnage entrances in 1917. As to foodstuffs, we presume that direct shipment to France, &c., will be increased correspondingly with the increase of the army. This, however, does not involve an increase of supply (since the increase of the army abroad means a reduction of the population to be maintained within the United Kingdom), unless the military use of commodities on active service abroad is less economical than military and civilian use at home.

In regard to timber we understand that the requirements of the army will be at least as great in 1917 as in 1916, but as the Restriction of Imports Committee has this item under consideration we do not think it necessary to estimate for any increase in the quantity carried for military service.

(h.) Wheat from Australia.

21. We understand that, as compared with 1916, an additional import of wheat from Australia, amounting to 810,000 tons (dead weight) in the spring of 1917, should be allowed for. We assume that this represents 400,000 net tons of shipping, and on the further assumption that the round voyage will occupy five months as against two months (on average) taken by the North American shipments, we conclude that net tonnage entrances amounting to 600,000 tons will be lost on this account. This loss has to be distributed over the months January–May, the maximum loss in any one month amounting to 195,000 tons of entrances falling in April. These details are difficult to assess with any precision, but this is of little importance, as the whole item is relatively certain.

(i.) Port and Transit Delays.

22. We have not provided for any increase of loss of tonnage under this head. We refer in a later paragraph to the importance of the subject in connection with measures for economising tonnage.

PROFIT FACTORS.

(j.) Extension of the Building Programme.

23. We understand that it is expected to secure new tonnage (gross) to the amount of 750,000 tons during the year 1917. Of this amount about 450,000 is
allowed for in arriving at the net losses dealt with in (a) above. The balance of 300,000 tons (gross) may be regarded as producing net tonnage entrances increasing from 20,000 in or about March to 80,000 in December. The detailed amounts of net tonnage entrances thus arrived at are included in the Summary.

(k.) Purchases of Neutral Shipping.

24. We understand that it is hoped to acquire 500,000 tons (gross) of new shipping from foreign countries in the year. This, we have calculated, will produce net tonnage entrances increasing from 30,000 tons in or about March to 120,000 tons in December. We understand further that an attempt will be made to secure a similar quantity of existing neutral shipping. It does not appear probable that this will result in any marked increase of tonnage entrances, and we have preferred, as a matter of precaution, to assume that its main effect will be to check the decline of neutral trade with the United Kingdom. We have had this point in view in assessing the loss under (b) above.

(l.) Transfer of British Shipping from Abroad.

25. From details of present negotiations which have been supplied to us, we estimate that a new credit, beginning with 40,000 tons of entrances in April and increasing to 70,000 tons a month from September, will be derived from this source. We have felt it necessary to guard ourselves against any expectation of a large accretion to United Kingdom trade from transfers of British shipping, as any considerable movement in this direction might deflect neutral tonnage to the part of the world from which the British ships were taken.

Summary of Losses and Gains.

26. Our Summary shows for the year a total loss to merchandise of net tonnage entrances amounting to 6,852,000 tons, and against this gains amounting to 1,710,000 tons.

There is thus a net loss to merchandise of 5,142,000 tons. This loss is distributed unevenly over the year, the maximum (697,000 tons) being in March, and the minimum (194,000 tons) in December. The decrease towards the end of the year is clearly due to the facts that the building and purchase programme became more effective as the year advances, and the Russian and Australian wheat programmes will have been worked out. In interpreting these figures it should be borne in mind that the columns (e), (f), and (g) of the Summary represent a transfer of shipping from mercantile to Government services, and not an actual loss of shipping. This would vitiate a direct comparison of our total losses in tonnage entrances with those shown for the seven months of 1917 in the Board of Trade returns.

The Average Duration of Voyages.

27. It will be convenient at this stage to investigate the question of the average duration of voyages of vessels engaged in the import trade, the accurate determination of which is essential to a correct estimate of the strain of tonnage losses on carrying capacity. The average duration of the voyage is most directly obtained by dividing the net tonnage at work into the net tonnage entrances (after making necessary adjustments in each case), but it can also be found by examining the shipping index and tabulating the entrances of a large number of ships. In order that no possible check upon our work shall be neglected we have used both methods.

28. To ascertain the tonnage at work in the import trade we have analysed the monthly returns prepared by the Admiralty Transport Department. The return for January 1917 shows a total gross tonnage of 15,102,968 for vessels of 1,000 gross tonnage and over. Of this, however, a large proportion is requisitioned for the Navy and War Office, and a further considerable proportion is requisitioned for Australia, New Zealand, India, and the Allies. There appears to be an impression that the whole of these vessels are in the same position as those trading on behalf of the Colonies and Allies, viz., totally lost to British trade. We are satisfied that such is not the case. A certain proportion of the requisitioned ships referred to are, speaking broadly and allowing for exceptions, lost to the export trade, but are available and are used for import work; being, indeed, in this respect in the same position as the vessels carrying sugar, ore, wheat, &c., in January, which obviously will make tonnage entrances into the United Kingdom. We have tried various methods of estimating
the total tonnage which is employed for imports (however it may be engaged otherwise), and have come to the conclusion that the only way to arrive at a safe figure is to investigate the work of the vessels requisitioned for the Navy, the War Office, France, Italy, and Russia, and to separate from the total those which are in fact in mercantile service at one period of the year or another. This we have done, with the following results:

The tonnage of vessels (passenger and cargo) requisitioned for the Navy, the War Office, Australia, New Zealand, India, and Allies, or employed in carrying wheat to France and Italy, or trading for the Allies or the colonies is .. .. .. .. .. 5,929,225

But of these the "part-time" class represents .. .. .. .. .. 950,710

Leaving as permanently withdrawn from mercantile service .. .. .. .. .. 4,978,515

The gross tonnage of which (allowing for the fact that vessels permanently abroad are somewhat smaller than the average) we estimate to be .. .. .. .. .. 2,425,000

The total gross tonnage not in the import traffic of the United Kingdom is therefore .. .. .. .. .. 7,403,515

The total gross tonnage shown by the Monthly Statement being .. .. .. .. .. 15,102,968

There is working in the import traffic .. .. .. .. .. 7,699,453

or rather more than 51 per cent.

This last figure is of special importance.

29. To get the net tonnage which is to be divided into the net tonnage entrances for 1916, as explained in paragraph 27 above, we should work upon the gross tonnage existing at the end of June 1916. Taking 51 per cent. of this figure, converting it into net tonnage and eliminating the non-cargo tonnage of the passenger vessels (as to which see paragraph 35 below), we arrive at a mean net tonnage on import work of 4,030,000 tons.

30. The net tonnage entrances (British) in 1916 were 20,214,309 tons, but this figure must be reduced by two items. The first of these is the tonnage entrances of small vessels; after a careful survey of this distinct and complicated problem we estimate these at 14 per cent. of the total, or (say) 2,830,000 tons. The second adjusting item is the tonnage entrances representing the non-cargo capacity of passenger vessels. This, allowing for four entries a year in the case of these boats (a figure which is above the average for all vessels of which we are in search, but which is suggested by actual investigation) represents 1,350,000 tons entrances. The total deduction to be made from the net tonnage entrances of the year for the purpose in hand is thus 4,180,000, leaving a balance of say 16,000,000 tons. Dividing this by the mean net tonnage at work during the year (4,030,000, see paragraph 29 above) gives an average of 3-4 entrances a year.

31. We stated in paragraph 27 that we had investigated this question by actual inspection of the Transport Department Shipping Index and tabulation of the records of a large number of vessels. The period covered was the eight months May-December 1916. The number of ships dealt with was: passenger boats, 275; and cargo boats, 747. The average number of entrances a year was: passenger boats, 39; cargo boats, 33; or, taking them together, and reducing the passenger boats to their equivalent in cargo vessels, an average of 34, thus confirming completely the results brought out by the more detailed calculation.

32. An average of 3-4 entries a year means that, taking one month with another, 28 per cent. of all the trading vessels make an entry to the United Kingdom every month and it means, therefore, that where a loss of shipping has been sustained the tonnage entrances of every month will be reduced by 28 per cent. of that loss.

Weight of Goods carried by each 100 Net Tonnage.

33. The monthly returns of the Board of Trade give the quantities and values of goods imported and the net tonnage entrances. In times of peace these sets of figures form a good basis of comparison, but during the war the goods imported are less than the true figure owing to the exclusion of certain goods consigned to Government, and the entrances are less than the true figure owing to the exclusion of entrances by ships having only Government cargo (other than food and grain). In the first place, therefore, we made careful enquiry with regard to the error which can be corrected by leaving the entrances unaltered and adding to the cargo all goods other than food and grain brought on Government account as part cargoes. It is difficult to obtain the figure with accuracy, but pending the receipt of a statement which is
being prepared for us by the Ministry of Munitions, we think that it can reasonably be taken as 1,500,000 tons for 1916.

34. The Board of Trade returns give quantities in various terms, and they have to be reduced to tons before they can be considered; the result may be summarised as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1.) Food, drink, and tobacco</td>
<td>15,881,000</td>
</tr>
<tr>
<td>(2.) Raw materials and articles</td>
<td>29,340,000</td>
</tr>
<tr>
<td>mainly unmanufactured</td>
<td></td>
</tr>
<tr>
<td>(3.) Manufactured articles</td>
<td>4,394,000</td>
</tr>
<tr>
<td>(4.) Miscellaneous</td>
<td>75,000</td>
</tr>
</tbody>
</table>

Adding in respect of goods on Government account (mainly Ministry of Munitions) ... 1,500,000

The total becomes 43,600,000

This figure may be taken as an approximation to the weight of goods corresponding to the net tonnage entrances given in the Board of Trade returns, which are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>British</td>
<td>20,214,309</td>
</tr>
<tr>
<td>Foreign</td>
<td>9,831,404</td>
</tr>
</tbody>
</table>

Total 30,045,713

35. The two sets of figures imply that each 100 tons of shipping carried 145 tons of cargo, but another complication arises owing to the insertion in the net tonnage entrances of the total net tonnage of a passenger ship, which carried a far smaller proportion of cargo than a cargo vessel of the same size. An adjustment could be avoided if we felt sure that war and marine risks and naval and military requirements will reduce the two classes of vessels available for commercial use in equal proportions. The danger in ignoring this point can be seen by taking an extreme case and assuming that all the cargo vessels had to be taken for military purposes; we should then assume that the balance of shipping was worth 145 tons of cargo for each net ton of shipping, but should find in practice that a far smaller amount would be carried. In order to investigate the question, Sir Kenneth Anderson made enquiries from shipping lines with regard to the carrying capacity of passenger liners, and as a result of an analysis of the figures he obtained we conclude that those passenger liners still in commercial use are worth, from a cargo-carrying point of view, two-thirds of their nominal net tonnage.

36. The next part of the investigation is therefore to deduct the non-cargo part of the tonnage entrances of passenger vessels from the total tonnage entrances; this deduction for 1916 is about 1,350,000, or 6½ per cent. of British entrances. A deduction must also be made from foreign entrances, and we have deducted a somewhat smaller figure (5 per cent.); the result is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>British</td>
<td>20,214,309</td>
</tr>
<tr>
<td>Foreign</td>
<td>9,831,404</td>
</tr>
<tr>
<td>Total</td>
<td>30,045,713</td>
</tr>
</tbody>
</table>

Deduct for non-cargo capacity of passenger vessels:

<table>
<thead>
<tr>
<th>Description</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>British</td>
<td>1,350,000</td>
</tr>
<tr>
<td>Foreign</td>
<td>490,000</td>
</tr>
<tr>
<td>Total</td>
<td>1,840,000</td>
</tr>
</tbody>
</table>

Dividing this into the weight of cargo carried, we have that each 100 tons of net tonnage carried 145 tons of cargo.

37. The figure of 145 tons gives the average weight carried by each 100 net tons of shipping actually entered in the Board of Trade returns. The figure of 155 tons gives the average weight carried by each 100 net tons of shipping available for carrying cargo and entered in the returns.

Summary of Shipping Losses expressed in Terms of Weight of Commodities.

38. The final column of our Summary shows the reduction in weight of imports corresponding to the loss of ship tonnage. The figures show a total of nearly 8,000,000 tons of commodities, made up of amounts which vary from month to month for the reasons indicated in paragraph 26. A loss is shown for January 1917, which has already been incurred, and must have been partly by a reduction of stocks and partly by
any restriction of import which has already taken place. It should be understood, as explained in paragraph 2(a), that we have not taken credit in our estimates for the effect of any curtailment of imports already arranged. These must, of course, be brought into account against the deficiency that we show.

Restriction of Imports.

38. We understand that an immediate restriction of imports is to be made. As to this we feel it necessary to point out that a restrictive policy adopted now will only effect the imports for about eight months of the present year because goods just shipped will be unaffected. If, therefore, the total year's shortage of shipping is equivalent, as we suggest, to a reduction of imports by 8,000,000 tons, the greater part of this deficiency has to be made good by measures operating over eight months only.

The Position in 1918.

39. We should, we feel, lay stress also on the fact that the position in 1918 cannot be estimated immediately from the results of our present work. The losses during 1917 will, on the one hand, further reduce the carrying capacity of the mercantile shipping as compared with 1916, while, on the other hand, the accretion from purchases and the expansion of the building programme will in 1918 produce their full effect. The situation as to that year has to be worked out, effect being given in the calculations to the recurrence of any of the special items of 1917, e.g., the Russian programme, and special caution is needed lest unwarrantably favourable inferences as to 1918 should be drawn from the improvement shown in the Summary towards the end of 1917.

40. The figures given in this report show that we anticipate a most serious decline in the amount of imports for general use, and it is clear that efforts must be made in every direction to economise tonnage. In this connection the following remarks on specific points may be mentioned:

(1.) Shortened Length of Voyage.—It is an economy in tonnage to bring commodities over the shortest distance, thus if we can eliminate or reduce voyages to and from (say) the Far East and Australia, taking five or six months, and replace them by voyages from (say) Canada or United States of America, taking about two months, a vessel becomes two and a half times more valuable. In other words, while 50,000 net tonnage of shipping coming from great distances would produce only 110,000 tonnage entrances it would produce 250,000 tonnage entrances from shorter distances—or an increase probably at least 200,000 in tons weight, of commodities, or munitions. On the other hand, there are possibilities of increased delay owing to lengthened voyages in attempts to avoid submarines or raiders.

(2.) Expedition at Ports.—This is another way in which a great saving of tonnage can be effected. A saving of five days a voyage would increase the tonnage entrances and imports by 5 per cent. in respect of commercial vessels (2,000,000 in tons weight of imports), and as it would also mean economy in the vessels in use for the Navy and Army, their future demands would automatically be reduced. In this connection we should remark that if the shortening of voyages indicated in (1) above meant more crowded ports, the profit from the action taken in one direction would be discounted by the loss of efficiency in the other.

(3.) Economy in Tonnage by the War Services.—We have assumed that as much as possible is being, and will be done in this direction, but so serious does the general position seem that it is advisable to make reference to economy, even where it seems unlikely that saving can be effected. The conclusion of the last African campaign might possibly release some shipping to other military work, and so indirectly benefit the import trade.

41. In conclusion, we think it necessary to point out that, while we have necessarily worked from the tonnage entrances of 1916, we do not expect that the losses calculated by us will be realised exactly as they are shown, month by month, in the Summary. The tonnage entrances vary from one month to another to a much greater extent than might be anticipated, and no doubt the monthly entrances of 1917 will vary from those of 1916, quite apart from the special conditions which are affecting the position. We have no reason to think, however, that taking several months together the results realised will be other than we have estimated.

We are, &c.

ALFRED W. WATSON.

W. PALIN ELDERTON.
### SUMMARY.

<table>
<thead>
<tr>
<th>Month</th>
<th>Losses</th>
<th>Gains</th>
<th>Not. Total of Losses</th>
<th>Corresponding Reduction of Imports in Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(ac.)</td>
<td>(b.)</td>
<td>(c.)</td>
<td>(d.)</td>
</tr>
<tr>
<td></td>
<td>War and Marine Losses</td>
<td>Reduction of Neutral Tonnage</td>
<td>Russian Programme (excess over 1916)</td>
<td>Excess over 1916</td>
</tr>
<tr>
<td>-------------</td>
<td>--------</td>
<td>-------</td>
<td>---------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>January</td>
<td>142</td>
<td>20</td>
<td>122</td>
<td>...</td>
</tr>
<tr>
<td>February</td>
<td>162</td>
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<td>133</td>
<td>...</td>
</tr>
<tr>
<td>March</td>
<td>177</td>
<td>20</td>
<td>155</td>
<td>...</td>
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<td>May</td>
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<td>September</td>
<td>235</td>
<td>20</td>
<td>159</td>
<td>117</td>
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<tr>
<td>October</td>
<td>257</td>
<td>20</td>
<td>169</td>
<td>86</td>
</tr>
<tr>
<td>November</td>
<td>257</td>
<td>20</td>
<td>184</td>
<td>171</td>
</tr>
<tr>
<td>December</td>
<td>294</td>
<td>20</td>
<td>138</td>
<td>176</td>
</tr>
<tr>
<td>Total</td>
<td>2,628</td>
<td>240</td>
<td>1,975</td>
<td>104</td>
</tr>
</tbody>
</table>

Note.—In interpreting this table, see paragraphs 26, 37, and 41.
CONFIDENTIAL NOTE ON ALLIED CONFERENCE AT PETROGRAD, JANUARY-FEBRUARY 1917.

I DESIRE to put into the shape of a very confidential memorandum some reflections which appear to me deserving of serious consideration, if the labours of the present Conference are to result, as we all hope they must do, in a great strengthening of the military effort of the Allies.

What can be said in these pages could not possibly be said at the plenary meetings of the Conference. It is not a matter suitable for minutes or protocols or official records of any kind, but it is something which ought to be in the minds of those who have any share in the supreme direction and conduct of the war. It is only addressed to those persons, and I feel sure that they will accept it in the spirit in which it is offered, as a contribution of my own, made on my sole responsibility, towards the attainment of a perfect understanding for the co-ordination of all the efforts of the Allies. I shall therefore speak with absolute frankness, as great frankness as I should make use of in speaking to my own colleagues in the British Cabinet, and with as complete a confidence that anything I say, whether it is right or wrong, will at any rate be taken in good part.

The way I look at it is this. We are face to face with a supreme emergency; we are all absolutely in one boat and have got to sink or swim together. There can be no thought of the individual interests of the Allied nations—they have all one supreme interest, victory. There is, therefore, no room here for diplomatic refinements or subtleties or reserves, or for seeking to get the better of one another. We might try to think of ourselves, for the present purpose, as members of one Government pursuing one policy. The only question is, how it can most efficiently be carried out.

It is from this point of view that I approach the subject. The great object of this Conference, and of much more than this Conference, is the co-ordination of all our efforts. This has been said over and over again, but it cannot be said often enough. We want to attack the enemy from all sides with the greatest possible energy. This involves two main considerations:—

1. We want our attacks to be as far as possible simultaneous. This is primarily a matter for arrangement between the military authorities of the several Allied States. And I am satisfied that, as far at any rate as the operations of this spring and summer are concerned, the distinguished Generals who are members of this Conference have come to such an understanding as will ensure the greatest simultaneity of effort which can possibly be obtained, having regard to climatic and other difficulties. As far as this most important point is concerned, therefore, I feel that something definite and very valuable has been already achieved.

2. But there is another point also of great importance. Not only do we want our divided efforts to be as far as possible simultaneous, but it is likewise necessary that each of these efforts should have the greatest possible momentum, and especially that the Russian military effort, which is of such immense importance to the general cause of the Allies, should be as strong as it is humanly possible to make it. The Russian military position in its broad outlines is familiar to all of us. The main points are not in dispute. Russia has as great, perhaps greater, man-power than the rest of the Alliance put together, and her soldiers fight with glorious courage and tenacity. She has also leaders, as experience has shown, of great energy and determination. But her immense army is not so fully equipped with material of war, especially in its more important modern developments—I am thinking especially of big guns and aeroplanes—as are, for instance, the armies of France and Great Britain, and she has also special difficulties to contend against in the matter of transportation and supply. Russia, therefore, naturally looks to her Allies to help her, if they can, in
making good these deficiencies, and she argues with unanswerable force that there could be no greater addition to the total strength of the Allied military effort than such an increase and improvement of her war material, as would enable her to use her enormous resources of man-power to the greatest effect. The question therefore is: it is the great still outstanding question—to what extent and in what manner the Allies can help Russia in this respect?

The problem is not a simple one. It is comparatively easy to draw up a list of Russian needs. But it is not so easy to decide how far it is physically possible to supply those needs from outside Russia's own borders. And it is still less easy to say how far the Allies can supply them (either directly or by furnishing her with the means of buying them from other countries) without weakening themselves more than they strengthen Russia.

The only point of view from which we ought to look at the matter is that of the total strength of the Allies. Subject to the inexorable physical necessities governing the transfer of men and things, all the men, all the material, all the money at the disposal of any of the Allies ought to be employed at that point where they can be employed with the most effect. I can well believe, therefore, that, having regard to the comparative weakness of the Western Allies in war material, and the comparative weakness of Russia in that respect, it might be good policy to sacrifice some addition of strength on the Western front for the purpose of supplying Russia's urgent needs. For it is at least possible that an amount of material, which would not make any vital difference to the result of the clash of enormous armaments on the Western front, might make the whole difference between success and failure on the Eastern front. This is a consideration of great weight, and one which would naturally incline us to give priority of consideration to Russia's needs at the present time. In all, I may say subsequently, I must be regarded as approaching the question with a disposition to lean in that direction, viz., towards giving the maximum possible amount of help, whether in material or in money to obtain the material (it comes to the same thing), to Russia.

But, still looking at the question solely from the point of view of the maximum total strength of the Alliance, there are serious limitations to what can be done in this direction. The resources of the Western Allies are not inexhaustible. Their powers of production are already strained to the highest pitch, and the financial problem with which they are confronted has become one of the utmost gravity. It is necessary to recognise that the credit of Great Britain is the central pillar of the financial strength of the Allies; that this credit is being strained to the uttermost; and that, in order to preserve it, the severest restrictions must be placed upon the purchases of the Allies in neutral markets, so far as these have to be effected by means of that credit. This is not a specially British interest; it is the common interest of all the Allies. It is solely from the point of view of the common cause that I here insist upon it.

Not only has Great Britain increased the burden of taxation resting upon her people since the war began more than any of her Allies, raising the normal rate of income tax from 6 to the enormous figure of 25 per cent., while in the case of the largest incomes it amounts to as much as 40 per cent. She has also incurred a burden of debt for the purposes of the war exceeding 3,000 millions sterling, upwards of 800 millions of which has been spent for the Allies. These are tremendous figures, but the most serious part of the situation is that she has now pledged almost all her foreign securities to obtain loans in America for the purchase of war material for herself and her Allies; and the possibility of raising fresh loans abroad for this purpose to any considerable amount becomes more and more doubtful. It is now, therefore, a matter of supreme importance to the whole Allied cause to husband what remains of British credit (which is only another way of saying that what remains of the purchasing power of the Allies in neutral markets) with the most scrupulous care. For if this were to become exhausted, it is very hard to see how the war could be carried on.

If, therefore, we examine the demands of Russia, whether for materials or money, and especially for money to be expended in neutral countries, with the most rigid care, we must not be regarded as doing this out of any regard for our own pockets. It is an absolute duty to do it. Not to do it would be a dereliction of duty to the cause of the Allies.

Obviously the first thing to make sure of is that Russia does not obtain from the Allies anything which she could quite as easily, or more easily, produce for herself. Russia, with her vast extent and varied resources, is probably, from the economic point of view, capable of becoming the most self-sufficient country in the world. But we must all admit that these resources are still largely undeveloped, and that, consequently,
for the moment, there are a number of things, and even some things of absolute necessity, with which she cannot supply herself. But I am satisfied that she can even now do a great deal more than she is doing for herself, with better organisation.

I do not for a moment suggest that the Russian authorities deliberately ask their Allies to help them to obtain anything which they do not believe to be both absolutely necessary, and unobtainable within their own borders. But I think they greatly underestimate what Russia even now can produce. This is not a phenomenon peculiar to Russia. All the Allied countries have learned, under the stress of war, that their powers of production were many times greater than what any of them, before the war, had the least idea of. They have all enormously increased their output, but the production of France and England (I cannot speak with the same personal knowledge about Italy) has now reached a point at which further increase is very difficult, if not impossible. Energy and organisation have pretty well done their utmost. But the same cannot be said of Russia. Goodwill is certainly not lacking on her part. She has shown no desire to spare herself—witness the enormous sacrifice of men which she has made in her gallant efforts, again and again repeated, to relieve the strain upon the Western Allies. But there is still lack of organisation. Russia is still able to make more use of her own resources. When I was in Moscow I heard of many factories closing down for want of labour or for want of coal. And yet I am told that millions of men have been called out for service in the field, whom it is impossible to drill or to arm, and who are therefore withdrawn from industry without adding anything to the military strength of the country. Moreover, there are thousands of men in the field who would be of more use in the mines or the factories. Russia, it seems to me, will have to do what England has had to do on a large scale, and bring back skilled workers, who were too hastily enrolled in the ranks, to the industrial employments for which they are indispensable.

Again, although factories are stopping for want of coal I am assured that there is no absolute lack of coal or of wagons to move it, but that the distribution and circulation of the existing wagons is very defective. I am not myself in a position to confirm this statement. I can only say that it comes to me on good authority from several independent sources, all trustworthy and likely to be well-informed. The matter seems to demand most careful investigation, especially in view of the large demand now made for additional wagons to be imported from the United States. It is very doubtful whether additional railway wagons, if ordered in America, could be obtained within any reasonable time, as the orders already given are still far from completed, and all the works are choked with the existing demand. Even if the makers could supply them their transportation by sea would make a great hole in the available tonnage, which in any case falls far short of Russia's real and undoubted requirements. And they would, under existing circumstances, have to be bought at an exorbitant price. It is therefore evident that it is bad business from every point of view to order a single fresh wagon from America, the need of which could be obviated by the better use of existing material. To do so would be an unjustifiable waste of the resources of the Allies.

There are almost always two ways of making good a shortage of material. One is to increase the supply; another is to make better and more economical use of what one has already got. Russia, under existing circumstances, is absolutely obliged to have recourse to the latter method by the inexorable facts of the situation. She simply cannot import from abroad all the material which she stands in need of. It does not exist, could not be created within reasonable time, and, if it were created, could not be brought into the country for want of tonnage. Russia is thus absolutely driven back upon the necessity of a more systematic use of her own resources. To some extent all the warring nations have been obliged to do the same. Germany, especially, has been obliged to do so, and has, with conspicuous success, grappled with the immense problem thus presented to her. France and England have, to a very large extent, been forced to adopt a similar course. We have all had to make shift with insufficient or inferior material where we could not get the quantity or the quality we desired, and have had to make good by inventiveness, and resourcefulness, and organisation the deficiency of supplies. Russia cannot complain of having to do the same. And she is capable of doing it. It is impossible, in view of the splendid record of work done by newly created and volunteer organisations, like the zemstvos and cities unions, to doubt the capacity of her people to rise to an emergency and to improvise new methods of dealing with it. I am extremely struck by what has happened in Russia in this respect, because it repeats and reinforces the lessons we have learned in England in the course of the war. The work to be done was altogether too great for the old machinery. We
could never have got through it without the creation of a number of new organisations, without enlisting innumerable volunteers to assist the regular employees of the Government, and even placing a number of them—men whose lives had been spent in private business and who were previously devoid of any official experience—in some of the highest administrative posts.

The war has not only immensely enlarged the scope, but entirely altered the character of British administration. And I think that no one will deny that the enlistment of a whole army of volunteer workers, and the bringing of experience from the professional and business world into direct participation in the business of government, has been the greatest possible success. We could not have got on without it. I will give one instance to illustrate my meaning. One of our greatest difficulties has been to keep our troops at the front in France supplied with the necessary provisions, war material, &c. The means of communication were inadequate, railways and ports were becoming hopelessly congested, and there was apparently a total insufficiency of rolling stock. Altogether it was a most complicated problem of transportation. Some months ago the chief manager of one of our English railways was appointed the Director of Military Transport in France, with the rank of a general officer. He was a civilian who had hitherto had no official, much less military experience, but he was an expert in transportation. The appointment at first gave a shock to many preconceived notions, but it has proved a complete success, and is appreciated by no one more than by the highest military authorities. Our Commander-in-chief in France himself told me, only a few weeks ago, how glad he was that the appointment had been made, and how greatly the army had benefited by it. I might add that another civilian new to official life has, still more recently, been appointed head of our Board of Trade, and is now responsible for the working of all British railways which have been taken over by the Government. He, too, has succeeded in effecting great improvements by the more economical use of our railway material. Our transportation problem, alike in Great Britain itself and in Northern France, is in a fair way to being solved, as far as it can be solved, by better management and by the recourse we have had to unofficial experts.

I dwell upon these illustrations because they bring out two great lessons which the war has taught us in England, and I do not see why the experience which we have bought at a great price should not be available also for others. These lessons are, the enormous value of management in getting a greatly increased amount of work out of a given amount of material, and the wisdom of having recourse to the best experts—wherever they can be found, and wholly regardless of official traditions—and putting them into positions of authority in those branches of the Government service where technical skill is of supreme importance.

It is for this reason that it seems to me of vital importance that any war material given to Russia by the Western Allies should be accompanied by a few men experienced in dealing with each particular type, and that they should have a free hand and all possible support in looking after the transportation and assembling of the various engines, and explaining the use of them to those who will ultimately have to work them in the field. There is no question here of interference with the Russian military authorities. All we ask is to be allowed to assure ourselves that the war material we are handing over is handed over complete; that we are giving to Russia not only the machines but our experience, dearly bought, in the use of the machines; and that those machines get to the front in the shortest time possible, and in such condition as to produce their maximum effect when they have got there.

It must not be forgotten that every particle of our material furnished to Russia is so much taken away from some other front. We have none of us got anything to spare. The Western Allies are far better off than Russia in respect of most forms of war material. But they are not, any of them, as well off as they could desire. They have not got, nor can the productive capacity of their own countries or of the neutral countries provide, all that is wanted within a reasonable time. Nevertheless we are willing to give material which we can ill spare ourselves. It is difficult to bring it here, but we are doing our best to get over that difficulty—to guard the sea-ways and to keep the ports open. All we ask is to be allowed to assure ourselves that the material, when Russia does get it, will be really useful. Otherwise its transference will
be a dead loss to the fighting strength of the Alliance, regarded as a whole. And the same applies to war material bought with money which Great Britain has to supply. There is an increasing difficulty in finding the means to pay for such material in neutral countries. What is left of our credit is wanted to buy material for ourselves and for our other Allies. What we spend for Russia means so much less for us and for them. Nevertheless it is right to use it, and we are willing to use it, as far as it will go, to furnish Russia with as much material as it is physically possible to get to her, always provided that it is at least of as much use to her as it would be to us or one of the other Allies.

It is from this point of view that any demands for assistance, addressed by one of the Allies to the others, should be tested. There is a limit to what the Allies can obtain in the shape of supplies from outside their own borders, a limit imposed by physical difficulties of production and transportation, and by the extent of their purchasing power. The first duty resting upon each one of them is to develop domestic production to the greatest possible extent. The Central Powers, almost entirely cut off from external sources of supply, have done this to an almost incredible extent by inventiveness and good organisation. It is incumbent upon the Allies, especially incumbent on Russia with her great natural resources, to imitate their example, as far as it is humanly possible to do so. And the second duty incumbent on the Allies is to distribute the material they have, or can still obtain, in the best way, by employing it at that part of the field of war where it can be most effective.

Speaking for my own country, I can say that there is nothing that Great Britain can do to help Russia that she is not prepared to do. Whole-heartedly and without reserve we will use up all our resources for the Alliance. All we ask in return, and this again not for our own sake but for that of the Alliance, is that Russia shall not draw upon us for anything which, by the increase of her own production and by the better management of her own resources, she can provide for herself; and that, in taking over any material we may give her, she will avail herself also of our experience, so as to ensure that the fullest value may be got out of such material. If those conditions are fulfilled there are no limits—save those imposed by insuperable physical obstacles or by the total exhaustion of our resources—to the assistance which we are ready and anxious to give to an Ally in whom we have absolute trust, and who has herself made such enormous sacrifices for the common cause.

(Initialed) M.

February 4/17, 1917.
ALLIED CONFERENCE AT PETROGRAD, JANUARY-FEBRUARY 1917.

FURTHER CONFIDENTIAL NOT. BY LORD MILNER DATED MARCH 13, 1917.
(Previous Paper No. G.-130.)

IT is certain that the official minutes of the Conference at Petrograd can only give a very misleading impression of what actually happened there. All the real work was done either by committees or in private conversation. The proceedings of the plenary meetings of the Conference were of the most jejune and superficial character. There was, as a matter of fact, a very good reason for keeping them as formal and platitudinous as possible. The whole thing was exceedingly ill-arranged. All suggestions for keeping down the numbers of those present at these meetings proved futile, and it was obviously impossible to discuss anything of a confidential nature before more than forty persons, many of whom we did not know at all, and one or two of whom we had a certain amount of reason to suspect.

The so-called political decisions of the Conference, which occupy the foremost place in the formal report of its proceedings, are, with one exception, of no importance at all. There was some disposition, especially on the part of the Russians, to extend the scope of the Conference to matters which seemed to me to lie altogether outside its real objects, though in the absence of any clear definition of those objects it was rather difficult to object to anything as positively out of order. Questions like that of Volo, and other aspects of the Greek situation, for instance, were constantly cropping up, and I had some difficulty in getting them out of the road. The only means of doing so in one or two cases was to agree to some harmless, if unmeaning, Resolution. The four first Resolutions are in fact of this character. It would have been more annoying to waste energy in this way if one had not known that, while the civil chiefs of the Conference were engaged in these futilities, important and necessary work was being got through by the generals and other expert members of the Conference in committee, so that no time was actually being lost.

The only political Resolution of the Conference calling for serious attention is the last (No. 5), which advocates the creation of a Central Council of the Allies to ensure the more prompt decision of questions affecting the supreme direction of the war. This is really nothing more than an extension of the first Resolution of the Home Conference, which declared that "in future more frequent Conferences of the Allies are necessary." But the Petrograd Resolution, and the conversations which led up to it, take the matter a step further by defining more clearly the kind of Conferences that are required, by giving them, under the name of a Central Council, a regular place in the war-machinery of the Allies, and by committing Russia to participation in them. At the same time the Resolution, while indicating clearly enough the nature of the body which it was proposed to create, did not lay down hard-and-fast lines for its constitution, as I was particularly anxious to leave it to the Governments themselves, and especially to my own Government, from which the first suggestion for more frequent Conferences emanated, to determine its final shape.

The discussion of this subject resulted in eliciting a real unanimity of opinion among all parties that the present method of deciding important questions connected with the war is hopelessly cumbrous and unsatisfactory, and that, in order to ensure promptitude and harmony of action, closer personal touch between the real directors of policy in the several Allied countries is essential. To this end it was felt that much more frequent Conferences between the several Governments—not at fixed times, but whenever the course of the war seemed to call for it—should be arranged, but that these meetings should be as brief and as informal as possible, should preferably be held somewhere else than in a capital city, and should above all be attended by the heads of the several Governments.
When we came to drafting the Resolution, it was found impossible to provide that the Allied countries should always be represented by their Prime Ministers, because, as was pointed out, in one case, that of Italy, the nominal head of the Government was not in fact the real director of its policy; while in another case, that of Russia, the only really authoritative person—the Czar—obviously could not attend. Moreover, even in the case of France and Great Britain, exceptional circumstances might on some occasion prevent the Prime Minister himself from being present. A certain latitude was therefore left to each country in the choice of its representative, but the Resolution was drafted in such a way as to leave no doubt of the intention that he should be a man capable of coming to a decision of his own authority, and not obliged in every case to seek instructions from home. It was not, of course, intended to limit the number of persons present to these four principal figures. According to circumstances, military or other advisers, and even other Ministers, might, it was felt, be included. At the same time, it was certainly in our minds that future Conferences ought to be less unwieldy in their numbers than those held at Rome and Petrograd.

The Resolution dealing with this subject, like all the important decisions of the Conference, was practically settled in private conversations outside. It was actually drafted at a meeting at M. Pokrovski's, at which only he, M. Doumergue, M. Scialoja, and I were present. When it came before the full Conference, an awkward incident occurred. M. Sazonow, who apparently had not been informed, as he ought to have been, by Pokrovski, of the contemplated proposal or of the reasons for it, took up a very hostile attitude. The cause of this, as I very soon discovered, was not that he disapproved of the idea itself—he admitted to me in private conversation that something of the kind was absolutely necessary, if the Allies were to co-operate more effectively in future—but that he had learned that, if the proposed "Conseil central" came into existence, it was intended to appoint Trepof, whom he detests, as the Russian representative upon it. As a matter of fact, I found out next day that Trepof had already been appointed by the Czar. This extraordinary proceeding is characteristic of the chaotic way in which public business is at present conducted in Russia—where extreme slowness and infinite delays are diversified by occasional acts of great precipitation. It was impossible to foresee that it would occur to anyone, least of all to people who, as a rule, stand so much on formalities as the Russians do, to appoint a man of Trepof's standing—he had only recently been Prime Minister—to a position which as yet had, and might never have, any raison d'être. So far, the idea of the Central Council of the Allies had got no further than a proposal to be made to the Conference. Even if the Conference accepted it, as subsequently happened, the proposal could still be nothing more than a recommendation to the several Governments, and the Central Council could not come into existence till that proposal had been approved by them all. Trepof was therefore being appointed, with much pomp and circumstance, as a special envoy to Western Europe to represent Russia at the meetings of a body which might never come into existence. Moreover, the appointment was in itself a bad one, doubly bad from my point of view, because it irritated Sazonow, who is the best Russian public man we came across at Petrograd and the most helpful to the cause of the Allies.

The hasty appointment of Trepof was no doubt due to some domestic intrigue, which I had no means of fathoming. But, whatever its origin, it put me in a very difficult position. I could not support Sazonow in opposing a proposal which I had myself advocated, and in which I still thoroughly believe. Neither could I object to the appointment of Trepof—even if I had had official cognizance of it—as it would have been a most unwarrantable interference in a matter which Russia had every right to decide for herself. All I could do was to represent privately to Pokrovski, as I did with some emphasis, that it was going rather far to appoint a representative to the proposed Council before it was known whether the several Governments approved of its creation, and that in any case I hoped that no appointment would be announced before their decision was known. Pokrovski, who had evidently grounds of his own for wishing to hurry the matter, did not much like this, but he could not dispute the reasonableness of my contention, and, as a matter of fact, no public announcement of Trepof's nomination was made. So there the matter rests, and I can only hope that the delay may result, as is always possible in Russia, in some reshuffle which will get rid of Trepof, or that, even if this does not happen, it may at least give Sazonow time to get over his irritation, which at one moment threatened to lead to serious consequences.

I now turn to the "Decisions as to Military Operations," which form the second batch of Resolutions taken by the Conference. These illustrate perfectly the superficial character of the proceedings at the full sessions of that body. For they were based upon
a report of the conclusions reached by the military members of the Conference at their
separate sittings, which was deliberately confined to generalities. These Resolutions, 
therefore, are a mere shell. All that was vital in the discussions of the Generals was, 
I think wisely, withheld from the full body of the Conference, with its crowd of
secretaries and hangers-on, by which it could not in any case have been profitably
discussed. General Wilson is making a full report on the proceedings of the Generals
to the Chief of the Imperial General Staff, so I need not dwell further upon the subject
here. I will only say that on the main point, viz., the co-operation of the various
designs which the coming spring and summer, it seems to me that as good an understanding was arrived at as could reasonably
be expected. There are so many elements of uncertainty in the case (climatic
conditions, the course which may be taken by the enemy, &c.) that it was really
quite impossible to devise a hard-and-fast plan by which the commanders on the
different fronts should be bound. The most that could be obtained was an agreement
on certain guiding principles of action. General Wilson is satisfied that such an agree­
ment was in fact arrived at between the Generals who met at Petrograd, and that the
Russians can be relied upon to do their best to carry it out. In this respect, therefore,
I think the work of the Conference may be regarded as satisfactory. We seem to have
reached something like unanimity between the military chiefs as to the best method of
co-operation between the various Allied forces. The degree of strength which Russia
may be able to exercise—the probable momentum of her coming offensive on the East—
is another question, to which I shall refer presently. What I regard as certain is that
she means to attack with all the strength she possesses.

The third set of Resolutions of the Conference deal with the supply to Russia of
material of war, and are based on the Report of the Munitions Committee, or
"Sub-Commission" as it was generally called. This Committee, of which General
Headlam and Mr. Layton were the British members, was appointed at the first meeting
of the Conference. Its work was arduous and uninterrupted, continuing during the
the whole of our stay in Russia, so that its report was only brought up to the Conference
at the last meeting of that body the day before we left. I attach very much greater
importance to this work than to all the other Petrograd proceedings put together.
Not only did it lead to definite practical results, but, in the course of the exhaustive
examination made by the Committee of the reports and statistics furnished by the
various Government Departments, we obtained for the first time tolerably accurate and
complete information as to the real state of Russia's military equipment. We also had
the opportunity of realising what Russia expects from her Allies in the way of help to
make good the deficiencies in that equipment.

I may say at once that the attitude of the Russian authorities on this subject was
the biggest difficulty we had to encounter during the course of our negotiations. It
was evident from the first that they had formed very high expectations of what the
Western Allies, especially England, might be induced to do for them in the way of
supplying guns, aeroplanes, rolling-stock, and a score of other military and semi-military
requirements, or money wherewith to procure them. In some cases their expectations
were carried to a very unreasonable pitch. General Gourko, who was a very active
figure throughout the Conference, and always a thorn in our side, seemed to think that
all he had to do was to draw up an exhaustive list of all Russia's wants, which could by
any means be represented as of military importance, and ask us to foot the bill. But
even the most reasonable and moderate of the Russian members of the Conference, like
MM. Belaieff and Pokrovski, certainly expected a great deal, which we ourselves always
knew that it would be quite impossible for us to give them. A considerable measure
of disappointment on their part was therefore inevitable from the first, and it was one
of my principal solicitudes throughout to soften this disappointment as much as I
possibly could. So I spent a great deal of time, while the Munitions Committee was
labouriously working out details, in trying to make them understand the great limi­
tations which difficulties of transport alone, to say nothing of difficulties of finance,
imposed upon our capacity to help Russia, however great our goodwill. It was hopeless
to get Gourko to see reason about this or anything, but with the rest of the leading
Russians I think I had a fair measure of success.

While combating their illusions, I am bound to say that I felt a considerable degree
of sympathy with their point of view. I am not speaking now merely of Ministers or
members of the Conference, but of educated and thinking Russians generally, as far as
I was able to gauge their opinions. I feel it to be necessary that my colleagues should
realise—as I certainly did not myself realise till I went to Petrograd—the Russian
attitude of mind with regard to the failures and losses of the war. There can be no
doubt that there is now a feeling of considerable discouragement. Reckless as the
Russians are of human life, their enormous losses—at least 6,000,000 men, up to date,
killed, captured, or permanently disabled—are beginning to prey upon their minds.
More than this, they feel bitterly that these exceptional losses were not inevitable, but
that the Russian soldiers, whose gallantry is undoubtedly, never have had in this war,
and still have not, anything like a fair chance, owing to their lamentable deficiency in
equipment. It is true that this is not quite a fair estimate of the case, for, bad
organisation has really had quite as much to do with their misfortunes as lack of guns
and ammunition. But at any rate it is, not necessarily, the Russian estimate. There
is undoubtedly in their minds a sense of grievance, of resentment, at the unfair
handicap under which Russia labours. I do not say that they are unreasonable enough
to make the Allies responsible for this. But they certainly do feel intensely that the
Allies, in view of their much more fortunate position in regard to material of war,
are bound to do everything that is humanly possible, and even at some sacrifice to
themselves, to redress this great inequality. It is absolutely necessary, in my opinion,
that we should take account of the strength of this feeling, and go as far as ever we
can to allay it. Our neglect to do so might have the gravest political consequences.

In appealing to the Allies for substantial assistance towards making good their
weakness in respect of armament, the Russians constantly referred to the Second
Resolution of the Rome Conference, as well as to the strong declarations made in the
same sense at Paris by both English and French Ministers. The words "mettre toutes
teurs ressources en commun" were never out of Goriot's mouth. It did not seem to me
politic to dispute the principle, nor do I in fact disagree with it. The line which I
consistently took throughout, and pressed home in conversation with all the leading
Russians individually was, that we were not only ready but anxious to give them of
our best, but that (1) the amount we could give was inexorably limited by physical
conditions, and (2) we were not justified in giving anything, unless we could reasonably
hope that it would be turned to good account. Finally, weary of iteration and yet not
satisfied that, when our backs were turned, these considerations would be sufficiently
remembered, I put my views on this subject into the form of a confidential memorandum,
which I gave to Pokrovski and subsequently to the Czar. A copy of it is annexed to
this paper.

The point of greatest practical importance is No. 2. The amount we can get in to
Russia is governed mainly by circumstances out of our control. But whether she
makes good use of anything she gets, depends to a large extent upon the amount of
supervision we are able to exercise over the transportation of the various articles after
they reach Russia, the assembling of their parts, and, in the case of the most modern
and complicated engines of war, the training of the men who are to use them.

To these points, therefore, we gave special attention during our stay. We found
that, up till now, everything connected with the arrival and distribution of guns,
aeroplanes, motors, and war material generally, was in a very chaotic condition. More
skilled British supervision and better organisation were absolutely necessary. General
Wilson accordingly worked out, with the help of General Headlam and Mr. Layton, a
scheme for the creation of a small British department under General Poole, whom we
left behind us in Russia, charged with the control of all these matters. Upon the
successful working of this body, for the establishment of which the assent of the
War Office had been obtained by telegram, the value of our future supply of war
material to Russia largely depends. That the officers specially selected will do their
work well I have no doubt whatever. Some of them, like Captain Valentine, who is in
charge of our Aeroplane Depot at Moscow, have already done much excellent work
under great difficulties. The whole question is, whether they will be given a free hand
by the Russians, or regarded with jealousy and faced with veiled hostility and obstruc-
tion at every turn?

I may say that the high Russian authorities, whom of course we consulted before
making our proposals, were quite cordial about them. In addition to the consultations
which were constantly taking place between the experts, I personally put the case to
the Emperor, to the Grand Duke Serge (who is Inspector-General of Artillery), and to
General Belayeff (Minister for War), and got from each of them severally an expression
of approval and promise of support. It remains to be seen—this is the crux of the
whole matter—whether this good-will at the top will filter down through the various

*The Conference regard as essential to the success of the Allied cause that the Western Powers
should take immediate steps to provide the Russian armies with the necessary guns and ammunition, to
enable them to make full use of their great resources in men, and to break through the German lines on the
Eastern front.*
disconnected offices to the numerous minor officials, civil and military, upon whose co-operation—or, at least, non-resistance—the success of our efforts depends. The course of events will need careful watching. If we find, as a matter of fact, that the promises made to us in high quarters are not being carried out, we shall be in a position to make a strong appeal to the men who gave the promises. And, in the last resort, we always have the remedy in our own hands, for, unless we are assured that the war material which we are giving to the Russians is properly handled and made use of, I presume that we shall stop sending it. It will be all the easier to do this as the consignments of the most important of these supplies are echeloned over a considerable space of time.

I think we are all agreed that, for carrying out the Russian side of the bargain with regard to munitions and giving the organisation which we are trying to set up a fair chance of working satisfactorily, we must rely largely on the personality of General Belayeff, the Minister for War. He is our sheet-anchor in the matter. He is, unfortunately, a very strong man. But he is intelligent, appreciative, hard-working, and to all appearance completely disinterested. He thoroughly realises the value of our help, not only in material, but in the advice and suggestions about the best use of the material supplied which our experienced officers are able to give. He cordially welcomed the appointment of General Poole and his assistants, and expressed his complete agreement with the very important recommendations made by the representatives of the Allies on the Munitions Committee in the concluding paragraphs of their report. Owing to technical objections raised by General Gourko, these recommendations were not included in the “Resolutions” of the Conference, though they were recorded as an annexe to the minutes. But General Belayeff assured me personally at our parting interview, in the most emphatic terms, that he thoroughly approved of all these recommendations and that he meant to see them carried out. Moreover, he stated with equal emphasis that he had full authority from the Emperor to do so. I am quite convinced that he meant what he said, and as long as he remains Minister for War I think we are safe in this respect.

Unfortunately Ministers in Russia are changed with disconcerting frequency. It would, in my opinion, be a disaster if we lost General Belayeff at the Ministry of War. It is, of course, out of our power to prevent this, and I have no reason to suppose that a change is contemplated. But at any rate I felt it right to do what little I could to strengthen his position. At my last interview with the Emperor I made a point of dwelling upon the great assistance we had received from General Belayeff, and the confidence we felt in him. I also wrote a letter to General Hanbury-Williams, which he could show to the Emperor, if occasion arose, in which I said that, in view of the importance of good personal relations, I earnestly hoped that General Belayeff would remain Minister for War.

To sum up this part of the subject, I think we have done two things:

1. We have worked out a practical scheme for the supply of war material, based on the principle of using the available tonnage to give the Russians the largest possible quantities of the types of which they stand most in need.

2. We have done what lay in our power to ensure this material being turned to the best account.

Of course, when all is said and done, the amount of assistance which we are offering to give to Russia, even if it all materialises, falls very far short of her undoubted requirements. Moreover, it must not be forgotten that the French have for a long time past been giving substantial help to her, especially in respect of the output of ammunition, and that the Italians also keep on doing a little. But, in spite of all this, Russia will continue very weak, compared with the other great warring nations, in respect of her armament, though not certainly so weak as she has been. And this, of course, materially affects any estimate we may make of the strength of her military effort in the future.

That the impact of any offensive she may undertake will be greatly heightened by the additional armament we are now proposing to send her, when it once gets into the field, cannot be doubted. Even in the operations of the coming spring she will be materially strengthened by the guns and aeroplanes already promised and now on their way. But whether, either now or later, her offensive power can be so much increased as to justify our counting upon her to alter the character of the war on the Eastern front, is another question. She will continue to contain a large proportion of the enemy's forces. We may reasonably hope that she will compel him to send further
reinforcements to the East. And it certainly is not impossible that she may break through his line at some point in such a fashion as to compel a general retreat. But, to be quite honest, I hardly hope for as much as this, and I am quite certain that we should be unwise to reckon on it.

None the less do I feel convinced that it is absolutely necessary, in our own interest, to strain every nerve to do whatever we can for Russia at the present time. And this for political quite as much as for military reasons. The Russians are in an unhappy frame of mind just now—thoroughly disgruntled, from domestic causes quite as much as from war-weariness. So far from being the stolid, unmovable, irresistible "steam roller" of popular imagination, they are very sensitive, impressionable, and almost mercurial people. I am speaking, of course, of those with whom I have come in contact—not of the bulk of the nation, which it would take years to know—but then those whom we met were typical of the class which is politically influential. That class, as I say, is very much perturbed in mind at present, very restless, easily swayed. It is exposed, at every point of the compass, to German and pro-German influences, some open, many clandestine. I do not think it would be true to say that, apart from the Germanophiles, there are many of its members who are consciously losing heart about the war. One frequently hears this said of one or other conspicuous person—notably of the Empress, in whose case, I think, it is quite untrue. I am inclined to disbelieve all such stories, which are no doubt deliberately disseminated by the enemy. But what I do feel is, that the general discontent and vague unhappiness might easily turn into disgust with the war. In short, I think the Russians just now need to be very carefully handled, especially by the English, about whose attitude, to themselves they are very sensitive. Anything we can do to help them, above all to make them feel that we are really eager to help them, that we are understanding, sympathetic, genuine friends, will have a peculiar value in keeping up their morale.

Such an attitude is all the more called for in view of Russia's internal troubles. These are indeed intimately connected with her ill-success in the war, but I am not sure that Russians themselves are always quite conscious of this. When we reached Petrograd we found people generally to all appearance much more interested in domestic affairs than they were in the fortunes of the campaign. When one comes to analyse these matters, it is soon apparent that the root cause, even of the domestic discontent, is dissatisfaction with the course of the war, and bitter resentment of the mismanagement—-for which the Government is held responsible—that has been the cause of so many failures.

As far as the purely political aspect of the matter is concerned, I have formed the opinion that there is a great deal of exaggeration in the talk about revolution, and especially about the alleged disloyalty of the army. That the army should be very dissatisfied with the way in which the war has been conducted is only natural. But there is a long distance separating dissatisfaction in the army and vague unhappiness in the nation, and even the loud public expression of it (for astonishing freedom of speech is allowed in Russia), from a genuine revolutionary movement. And, assuming for a moment that a revolution were successful, I should regard with great apprehension its effect on the conduct of the war. For the autocracy alone holds Russia together, and though autocracy is a bad form of government, it will take something like a generation to organise anything in its place.

But, short of anything that could be described as revolution, there may be very grave internal troubles and much sporadic disorder. If this happens, it will be due to economic rather than political causes. Broadly speaking, the danger which threatens Russia is not so much deliberate revolution as chaos, resulting from the confusion into which a badly organised administrative system has been thrown by the strain of the war. It is, I am afraid, true that in many parts of Russia, especially some of the towns, there is to-day great shortage of food, although, taking the country as a whole, the food supplies are very far from exhausted. It is equally true that factories are shutting down every week for want of coal and labour, although the coal exists in the country if it could only be got to them, and there is any amount of labour if it was not so lamentably wasted.

Ultimately two-thirds of the economic trouble resolves itself into a question of transportation. Russia is terribly short of means of communication, especially railways, and the climatic difficulties standing in the way of regular traffic, are, of course, exceptionally great. Still it is certain that the existing railways could do a great deal more work with proper management. As my colleagues are aware, we have sent a very experienced railway manager, Mr. Bury, of the C.P.R., to examine into this question on the spot, and to help the Russian authorities to improve
their system of railway management, if they will let him. It is too early yet to say what amount of success he may be able to achieve, but I regard it as a hopeful symptom that General Sakharoff, commanding the Russian armies in Roumania, has just asked for the assistance of an expert railway man from England. There is no doubt a general recognition in Russia that the railway system is very much at fault, and among the more progressive men a willingness to appeal for our assistance with a view to putting it right. But British railway managers, or even advisers, would certainly meet with considerable obstruction on the part of the main body of the bureaucracy, and the question is this, as in other cases, is whether the prejudices or the dishonesty of a number of subordinate officials will be sufficient to defeat in practice the policy favoured by their chiefs.

It is very interesting to speculate on the future—political, economic and social—of Russia, for she has the greatest undeveloped resources of any part of the globe. But it would require as many years as I have spent days in the country to form an estimate of the probable rate of her development, or of the lines which it is likely to follow. Confining myself to the immediate problem—what is the degree of help we may expect from Russia in the war, and what we can ourselves do to help her—I must repeat that I have no hope that she is likely to derive any additional strength for the purpose of this war from a great political upheaval. If such an upheaval were to take place I am afraid its effect on the course of the war might be disastrous. On the other hand, Russia would undoubtedly gain appreciably, even in military strength, if the Czar could only form a more or less homogeneous Ministry of decent people. At present the Ministry is composed of some good and some very bad men, of the most diverse tendencies. Each Minister is responsible only to the Czar. There is no cohesion, and nothing to prevent one department from pursuing a line directly in conflict with the line pursued by another department. A very strong Emperor might make such a system work, but the present Emperor is not such a man. It follows that the best we can hope for, at the moment, is some mitigation of the present situation. Any great improvement is unlikely. We have to reckon with Russia as she is, and must do what we can to strengthen her in her present condition. As far as our mission is concerned it was to this end that all our efforts were directed. The scheme we have worked out is based on taking account of what Russia actually is. If that scheme can be completely, or even to a large extent, executed, I am satisfied that the Russian military effort will be materially strengthened. But everything depends upon close attention to details, both over here and in Russia. As far as the Russian end is concerned all we can do is to send out a few more competent experts (if the Prussian authorities are favourable, the number of these may be gradually increased), and to use whatever political influence we possess, through the Embassy, to see that these experts get a fair chance, and to try and save such Russian Ministers and other high officials as are capable and desirous of working heartily with us, from being hampered in their efforts to do so, or lightheartedly dismissed. What is required at this end is, firstly, the approval by the Cabinet of the scheme we have worked out; and, secondly, the appointment of a small Committee, representing the several departments—War Office, Munitions, Navy, &c.—whose co-operation is necessary to watch over its execution.

2, Whitehall Gardens, S.W.,
March 13, 1917.

MILNER.
1. THE Plenary Meeting at its first sitting appointed four Sub-Committees to deal with the following subjects:

(a.) Political situation.
(b.) Strategic situation.
(c.) Munitions situation.
(d.) Financial situation.

2. Each of these Sub-Committees drew up reports which were adopted by the Plenary Meeting with slight alterations—except the report of the Munitions Sub-Committee. In the case of this Sub-Committee the Plenary Meeting made some changes, and, while passing all those paragraphs which spoke of the gift of materiel of all sorts, they cut out all those paragraphs (9-13) which suggested certain arrangements being made and certain machinery being set up, which would ensure the materiel arriving with some degree of punctuality at its destination.

These latter paragraphs were, however, inserted in the Protocol as "considerations," and, as M. Belayef repeatedly assured us that he would have all these "considerations" carried out, there is no reason to suppose that the proposals they contain will not be loyally accepted and carried out in substance, if not in every detail.

3. The reports of the Sub-Committees in the Protocol itself cover all the ground over which we worked, and therefore, no necessity for me to elaborate what has already been said in these documents, but I submit a short report on matters not dealt with in the more formal documents, and I propose to divide my report under the following sub-heads:

(1.) Impressions.
(2.) Conduct of the war.
(3.) The military attaché's duties.
(4.) General Poole's duties.
(5.) Questions of rank and pay.

(1.) Impressions.

4. In 1915 the Russian Army suffered a series of defeats, a loss of territory, a punishment in killed, wounded, and prisoners, a loss of guns, rifles, ammunition and materiel, and underwent a fatigue and a temporary loss of morale which in my opinion would have completely "knocked out" the armies of any other of the Allies. That the Russian Army, with of course the assistance of their Allies, has been able to hold together after these appalling experiences, and not only hold together, but re-make, re-arm, and re-establish itself as a fine fighting machine, better in every respect than it was at the beginning of the war, is a feat of which it can be justly proud, and, indeed, is an answer to many of the pessimistic and adverse criticisms which are constantly being made against the Russia of to-day; and I think it is well to bear in mind what Russia has done when trying to gauge what she can, and will, do in the face of difficulties which to Western eyes may well seem almost insurmountable.

5. Russia's loyalty, and reckless sacrifice of life for her Allies has been proved over and over again, notably in 1914 in the north (East Prussia), and in 1916 (Brussilof) in the south, and the same loyalty, if not quite the same sacrifice of life, may be counted on for the future of the war.
6. The great difficulty, indeed the great danger, in Russia at the present time is the deplorable condition of the railways. The chaos now reigning touches every phase of Russian life—military, civil, economical, financial, and internal. Coal cannot be carried from the pit-mouths to the railways and the manufactories; food cannot be distributed to the towns nor collected from the countryside; troops and matériel cannot be carried from one place to another—and so each “impossibility” reacts on other “possibles” until a position has been reached which, if not quickly and thoroughly taken in hand, may affect the war in a disastrous manner. It is good to know that the authorities are fully alive to the state of affairs, and everything which it was possible for the mission to do to help was done. The intense cold and exceptional snowfall of this winter have increased the difficulties, but I am confident the Russians will solve their difficulties just as they solved those much greater difficulties to which I have already referred in paragraph 4.

7. During my visit I met many officers of every rank, in Petrograd, in Moscow, and along the front, and, on the whole, I was well pleased with what I saw.

I found serious soldiers, men of character, resolution, and knowledge, who compare not unfavourably with their equals on our Western front. The Staff officers seem to know their work, and the duties are carried out in much the same manner as with us.

It is true that no commander along the front has anything approaching our knowledge of siege warfare, but it is equally true that the siege warfare on the Russian front is very different from that on ours, and it is also the fact that the Russians have much more experience of open warfare than we have.

On the whole, therefore, I came to the conclusion that the Generals and Staffs that I saw were quite capable of handling any number of guns and aeroplanes that we can give them, and if they don’t get the value out of these that we should with our present knowledge, they will get as much out of them as we did a year ago.

8. The Russian Army is being reorganised, and divisions are being reduced from sixteen to twelve battalions, and cavalry regiments from six to four squadrons. This reorganisation should be completed by April-May of this year, and I saw several corps on the front which already fulfil the new conditions. Colonel Knox’s despatch Y 2 of the 20th February, 1917, gives all the details, and I only add here that, in my opinion, this reorganisation will be a great improvement, even though, for many months to come, some forty to fifty divisions will have very little, if any, artillery.

9. The question of command—effective, active command—in the Russian Army is a difficult one. The distances are so great, the climate (snow and mud) for two-thirds of the year so bad, the means of communication by rail and road so indifferent, the Russian temperament—of late to bed and late to rise—so peculiar that as a matter of fact the superior Generals and their staffs see very little, much too little, of the troops and trenches, and, therefore, on the whole, the superior command is not well-informed about matters at the front, and those at the front feel that they are cut off from those who wield the power further back. This is bad, but it will not be altered in this campaign.

10. The men are wonderful. For the most part big, powerful, cheery children, and wonderfully brave and patient. On the other hand, they are illiterate and stupid, and quite devoid of enterprise and initiative. They are well clothed (except on Romanian front), well booted, well fed, and well cared for—the standard being Russian not English. The Russian private is more punctilious in saluting than the private of any army I have seen in this war.

11. All the horses that I saw were in splendid condition, and this in spite of an exceptionally severe winter.

Sleigh transport in capital order and with good march discipline. I was much struck by the turn-out of the horses everywhere. The Russians must be admirable horse masters.

12. So far as I could see and hear, I should think the moral of the Russian Army is good, and the officers and men are less depressed by their lack of guns, of ammunition, and of aeroplanes than any other army of the Alliance in a similar situation.

(2.) The Conduct of the War.

1. If the present railway difficulties are satisfactorily overcome, and I think they will be, and if no deadly internal upheavals take place, and I don’t think there will be during the war, the plans for this year seem to be somewhat as follows:
2. No great massing of forces for an overwhelming attack will be made for the following reasons:

(a.) The difficulty of superior command and superior direction, already referred to under “Impressions,” paragraph 9.

(b.) There is no one portion of the line from Riga to Galatz which is sufficiently well served by railways, roads, or waterways to enable a force of (say) 100 divisions to be massed, fed, and ammunitioned.

(c.) To endeavour to mass all available troops at one point would take so long (say three or four months) that no surprise would be possible, and, in addition, immense stretches of line would be so weakened and for so long a time, that the enemy, whose power of rapid movement is infinitely greater, could concentrate on some ill-guarded portion of the line, and by breaking through could upset all the original plan. And not only so, for just as it would take months to collect up at the point of attack, so it would take months to unravel the troops again and get them back to the threatened area.

It seems certain, therefore, that difficulty in command, the absence of personal touch, the terrible delay in transportation and the immense distances to be traversed, make combined great offensives very difficult, and a single massed offensive impossible.

3. If a massed offensive is impossible, and if combined and timed offensives are very difficult, there remain only the local and separate offensives of the different commands, i.e., Russki, Ewart, Brussilof, and Roumania.

4. These, then, are what the Russians propose to carry out, but as it is essential that the Russian offensive should follow ours as soon as possible, and as the climatic conditions in the south will permit of operations commencing there at an earlier date than further to the north, it is proposed that Brussilof should lead off, followed by Ewart, and finishing with Russki. But as it is of first importance that these attacks should not be so separated by time as to allow the enemy to defeat each in detail by massing troops drawn from other parts of the line, it is proposed that the last attack of the three should open before the first has come to a standstill, and therefore there will be a moment when all three attacks will be in progress at the same time.

General Gourko told me that he estimated the length of time between the first offensive and the last offensive at about three weeks, and as it is necessary, in the nature of this plan, that the first attack should be able to continue long enough to overlap the last attack, it is proposed that Brussilof’s attack shall be the biggest.

5. There remains the Roumanian front.

The course of the Roumanian campaign has resulted in the addition of some 500 kilom. to the Russian front, and of this only 24 kilom. are held by Roumanian troops. The Russians are very angry at this additional burden, and are never tired of pointing out that this strain on their resources is borne by them alone; that the Roumanians are useless as soldiers and are for the most part German; that the whole of Moldavia is one great spy-bed, that the Roumanian civil population and soldiers (what there are left) are a common nuisance, that the Roumanian railways are in chaos, and, in short, that the present situation is intolerable.

To add to the difficulties of a very complicated situation, a system of command has been set up which seems to me to be quite unworkable. The King of Roumania has been placed in nominal command of all troops in Roumania, viz., three Russian Armies of forty-four divisions, six Roumanian divisions, and such Roumanian depots as have been formed in rear. During the campaign in Roumania the King has had, as military adviser, General Berthelot, who again has been assisted by 300-400 French officers. All these remain, but the King has now been given General Sakharof as Chief of the Staff and Military Adviser; but Sakharof also directly commands the three Russian Armies (9th, 4th, and 6th). We get, therefore, this amazing state of affairs. The King (who is not a soldier) commands the forces in Roumania; his former adviser, General Berthelot, remains with him; his new (Russian) Chief of Staff, Sakharof, advises him also, and in addition he (Sakharof) directly commands forty-four out of the fifty divisions under the King’s (nominal) orders. To make the situation complete, the railways in Roumania are under the Roumanians, and partly owing to difference of gauge, partly to incompetent administration, partly to German activities and sympathies, the railway situation is very serious indeed, and competent judges think there will be a famine in four to six weeks from now, and that the Russian troops will starve or have to fall back.

The outlook on this front is bad, and it is not possible to forecast what will
happen. Captain Neilson, who has just returned from Roumania, says that the 4th Russian Army is 25,000 men short of establishment; that from 25 per cent. to 75 per cent. of the soldiers have no serviceable boots; that in one corps alone there are 3,000 cases of enteric; that the Danube has already begun to rise, and has swept away the old railway (built in 1877) from Galatz to Bolgrad; that the River Sereth will soon rise; that the troops are already ill-fed and ill-clothed; and that it may be necessary to retire the whole line in order to save the armies from destruction. General Berthelot, Colonel Sir John Norton-Griffiths, Colonel C. B. Thomson, and many others whom I saw tell much the same story. General Berthelot is of opinion that the situation can only be saved by an offensive which shall retake Braila, cross the Danube, and hold the right bank of that river and the northern part of the Dobrudja to a depth of 30 kilom. from the river, and thus enable the army to be fed by the lower reaches of the Danube. General Berthelot thinks that an operation of this description would be possible within the next two months. I confess I can see no reason for agreeing with him, and under the conditions of command which now exist it seems to me that the less General Berthelot is in evidence the better it will be for the Roumanians.

General Berthelot’s position is a very difficult one, and he knows it. He told me he was going to try and stay on for three months; I much doubt his being allowed to. As regards an offensive against Braila and across the Danube into Northern Dobrudja, I am of opinion—from all the information I could gather—that such an operation is frankly out of the question until the railway situation has been greatly improved. To me the question is not whether the Russians can retake Braila and the Northern Dobrudja, but whether they can hold on to their present line, not from pressure or strength of the enemy, but because of the chaos in command and chaos on the railways.

6. To sum up the previous paragraphs:—

(a) No great massed offensive will be attempted.
(b) Each of the three fronts (Northern, Western, and South-Western) will have its own offensive, the South-Western being assisted (possibly) by the 9th Army of the Roumanian front.
(c) Each offensive will be independent of the other, and each will probably start on a different date.

7. The following further information is of interest. I gathered from Generals Gourko, Russki, and Ewart, and also from other sources, that if sufficient troops are given to General Russki he will make Wilna his objective; if sufficient troops are given to General Ewart he will make an attack from about Baronovitchi; and, as regards General Brussilof, the intention appears to be to move the 7th and 8th Armies from about Stanislau and Nadourna towards the west, then wheel south across the mountains whilst the 9th Army attacks from its present line.

As regards dates, I much doubt whether Brussilof’s attack will take place before the middle of April or the beginning of May (new style), and the other attacks will be correspondingly later (see paragraph 4). These dates are only approximate, as they depend on the weather and on the completion of the reorganisation of the whole Russian Army. General Gourko told me that he hoped to employ a total of “something not much short of 100 divisions” in all these attacks, and he assured me that all heavy guns above 4·5-inch and 48 Line, and all available aeroplanes, are to be given to these main offensives.

8. I have written of all these attacks as though they were more or less certain to take place. This is not quite so. The position reached when I left Russia was that Generals Russki, Ewart, and Brussilof had submitted their plans and proposals to the Stavka and had not yet had final approval. I don’t know the cause of this delay, which may have a serious effect on the course of summer campaign, since no preparations can be made by the commands until approval is given for their schemes. It may be that General Gourko, believing that General Alexief was coming back as Chief of the Staff on the 3rd March, did not feel in a position to tie his successor’s hands. Whatever the reason, there is no doubt of the inconvenience and danger of this delay, as if it is continued it will certainly affect the date on which the attack will commence.

9. The only information I could obtain about the Caucasus was that the Grand Duke Nicolas was to be reinforced by four Cavalry Divisions and one Infantry Brigade, and that he would take the offensive as soon as the weather permitted. I do not think Gourko knew much about the Grand Duke’s plans, and so the information he gave me was meagre, and he contented himself with generalities such as the importance of closer co-operation between the Grand Duke and our forces in Mesopotamia and Egypt, &c.
I did all I could to impress him with the fact that a really energetic campaign by the Grand Duke this summer, following on our successes in the Sinai Peninsula and in Mesopotamia, and backed by a well-organised propaganda among the Arab tribes, might well put the Turk completely out of action; but Gourko was not very enthusiastic, though this matters little, as I imagine he has but little power with the Grand Duke.

10. What chance have the Russians of a real success along their Western front? It is exceedingly difficult to make a forecast. If our offensive starts, as it may, about a month earlier than the Russians, and if in that month we have real success, I would have great hopes for the Russian offensives. Their problem is not the same as ours. They are faced by a very thin line of Germans (the Austrians are not of much account), with no depth and no great central reserve, and with indifferent means of lateral communication, and with only a moderate number of guns and aeroplanes. A break once made in such a line can be rapidly enlarged and exploited, especially when one remembers the masses of cavalry, with horses in admirable condition, which the Russians possess, and which they are prepared to use if the slightest opening is given to them.

Perhaps I can best put my opinion of the chances in this coming campaign in this way. If luck is on their side, they may do really great things; if luck is against them, they will do very little. The Russians have neither the matériel nor the organisation to force the hand of Fortune.

(3.) The Military Attaché’s Duties.

1. I was asked to report on the work and duties as heretofore allotted to the Military Attaché, to General Hanbury-Williams, to Lieutenant-Colonel Sir Samuel Hoare, and to Colonel C. B. Thomson.

2. As regards the first three officers, I have nothing to add to the telegrams I have already sent on this subject, and copies of which I attach (Appendix A, No. H.W. 5, 5th February; Chief 24223, H.W. 9, 15th February; Chief 29706, H.W. 14, 21st February).

3. The case of Colonel C. B. Thomson is very different and rather complicated. So long as the Roumanian Army was fighting as an army there were no difficulties, but now that the Roumanian Army has disappeared as such, and is only represented by six rather indifferent divisions out of a total of fifty, which now defend what is left of Roumania, the case is quite different.

I have already referred to the impossible situation which exists as regards the King of Roumania’s position. (See “Impressions,” paragraph 5.) This state of affairs cannot last, and until some new situation arises it is perhaps premature to give advice as to Colonel Thomson. It is well, however, to remember that Thomson is pro-Rouman—and quite rightly so—and for this reason he is suspect by the Russians, who profoundly dislike the Roumanians, and have a great contempt for them. He finds himself, therefore, in a delicate situation, and if the position of the King is altered, or if the whole Russian-Roumanian line is obliged to fall back behind the Pruth, Thomson’s position would become impossible, and he ought to be recalled.

For these reasons it seems to me that Knox ought not to lose touch with the three Russian Armies now in Roumania, even though they are, nominally, under the command of the King, and I have told Knox, pending further instructions from you, to treat those armies as though they still lay in the Russian line. He is to keep Thomson informed of his visits to those armies, and he is to give Thomson all possible information and assistance. Thomson, on his side, is also to keep Knox informed of what goes on at Jassy. This, however, I would like to add: Colonel Thomson himself would like to come away, and if he is kept on in a very difficult and invidious position I think it ought to be made clear to him that his future prospects will not be adversely affected.

This applies also to the officers who are serving under him; none of their futures should be clouded by the fact, that, for political or quasi-military reasons, they are condemned to serve in a lost cause.

4. I would like to repeat here what I said in one of my telegrams (H.W. 9, 15th February) attached.

Colonel Knox holds a unique position in Russia. He has travelled in all parts of European and Asiatic Russia; he is known by, and he knows, almost every officer of distinction in the Russian Army, and as he was up and down the line in the great retreat of 1915, and went through the hardships of that trying period with the Russians themselves, they look upon him more as one of themselves than as a foreigner.
When I was going along the line, two Chiefs of the Staff said the same thing to me—that Knox knows Russia and the Russian Army better than almost any Russian officer. I therefore attach more weight to Knox’s opinion on any manner affecting the Russian Army than I do to the opinion of any other man in Russia.

(4.) General Poole’s Duties.

1. I have already telegraphed the broad outlines of the work which I hope Poole may be allowed to carry out. (See telegrams H.W. 4, of the 5th February; H.W. 5, of the 8th February; Chief 29107, of the 9th February; Chief 24222; H.W. 8, of the 15th February; Chief 29329, of the 12th February; H.W. 11, of the 18th February; H.W. 12, of the 18th February; and H.W. 15, of the 21st February; Appendix (B)).

2. So far as Russia is concerned, the great difficulty is to find out what she most wants, which of her wants she can supply herself, and which must be met from the outside, and, having sent what is most essential, how to get the material from the ports to its destination, and having got it there, to make sure that full use is made of it.

3. The organisation now set up under Poole—I attach a copy (Appendix (C)) of instructions I gave to General Poole—is a modest attempt to meet these requirements. His office contains, in its staff and in its three subsections, the machinery to deal—again in a modest way—with the points enumerated in paragraph 2. That is to say, that in subsection 1 he will have a staff which will keep in touch with the munition works in Russia, find out their difficulties and their wants, and keep London informed.

The supervision and claims of priority of the transport of material from the ports to their destination are also vested in this subsection, and all the military officers at the ports are under the head of this branch.

Subsection 2 will devote its attention to collecting guns and mortars at certain centres (Tsarske, the Polygon, Moscow), and some of the headquarters along the front, where they will be assembled and tested, and where schools will be formed, and as much Russian personnel instructed as the Russian authorities will allow.

Subsection 3 is only concerned with aeroplanes. The assembling and testing, the schools which we hope to form for teaching flying, fighting, observing, and wireless will all be done at Moscow. After a certain amount of difficulty the Moscow site was agreed to by the Grand Duke Alexander and by the War Office in Petrograd. We are to be allowed to remain there, in any case, until the 1st June of this year.

4. Poole and his immediate staff will make Petrograd their headquarters, but they have permission to visit the Stavka or the front whenever they think fit. Poole is, nominally, attached to the War Minister, thus gaining direct access to this official, and as technical adviser to the Grand Duke Sergei he gets access also to the Stavka.

5. I am strongly of opinion that we are here setting up as large a staff, and we are proposing to deal with as many subjects, as it is safe to attempt with the Russian authorities in their present temper and mood.

It will be seen that munitions are only represented in subsection 1, the head of this subsection being a munitions officer, but it was clearly understood that this subsection might, and indeed ought to, grow to quite large proportions if the Russians will allow it. When this takes place, then some readjustment of duties may have to be carried out; but I am quite clear in my own mind that if we tried anything on a larger scale now it would arouse the susceptibilities and the jealousies of the Russians, and then all our work and attempts at assistance would have been in vain.

I recommend, therefore, that the arrangements now made be given a chance; as time goes on and we gain further experience, alterations, and I hope additions, will have to be made to the organisation we are now setting up.

(5.) Question of Rank and Pay.

I attach proposals re the rank and grading of the officers serving under Colonel Knox and General Poole and Lieutenant-Colonel Sir Sam Hoare (Appendix (D)).

I attach also some notes by Colonel Knox (Appendix (E)) and a statement of pay and allowances of officers in Russia, with certain proposals I have added (Appendix (F)).

March 3, 1917.

HENRY WILSON, Lieutenant-General.
APPENDIX (A).

General Sir Henry Wilson to the Chief of the Imperial General Staff.

February 5, 1917.

Present situation and distribution of duties quite impossible and unworkable. In future General Poole will take over all duties connected with munitions, and I strongly advise that Knox retain Operations, as hitherto, and be given Intelligence in addition, leaving Secret Service and War Trades to Hoare. Consider no other solution workable. Poole will have headquarters at Petrograd; Hanbury-Williams’s duties to remain untouched. This redistribution will necessitate the transfer of the following personnel from the British Intelligence Mission to Colonel Knox: Captain Scale, Lieutenant Stevens, Lieutenant Lee (arriving shortly), Sub-Lieutenant Hodson, R.N.V.R., and three typists and coders, two of whom must have thorough knowledge of Russian.

Chief of the Imperial General Staff to General Sir Henry Wilson.

[Date (?).]

Your H.W. 5 of the 6th February. As an alternative suggestion, has it occurred to you that all officers dealing with Military Intelligence should be placed under Knox, who would co-ordinate all their work? This would involve placing both Hoare and Benet under Knox, to advise him with regard to Secret Service, War Trade, and Censorship questions. They would correspond direct with the sections concerning their own special subjects, under his general supervision. Knox would, in fact, have to form, with officers at present available in Russia, an Intelligence Mission, divided in a similar fashion to the British Intelligence Directorate here.

Another point which has arisen is that we have repeated requests from the Shafkato the Russian Military Attache here for information that has already been sent to Mission in Petrograd. It is quite evident that there is very serious delay in the information passing through the Russian War Office to the Shafka. But would it not be essential that there should be some Intelligence Officer attached by Knox to Hanbury-Williams for direct exchange of purely military information? The wires between these officers and the War Office in London to be repeated. Can this be arranged?

General Sir Henry Wilson to the Chief of the Imperial General Staff.

February 15, 1917.

Your 24223. Your alternative was considered, but I thought it unworkable for the following reasons: First, it is essential that Knox should remain as Military Attaché. He is the best known and most trusted of all Attachés, and holds a unique position in the Russian Army, and any change in his position would not be understood by the Russians. Secondly, it appears to me that Knox must report on Operations as well as Intelligence, and it is impossible to confine him to the latter. He and his officers alone know the fronts, and they alone get direct information. Hanbury-Williams serves a most useful purpose at Shafka, and, by virtue of his position, deals with subjects of which Knox knows nothing; but he neither speaks the language nor knows the Commanders or Staffs along the front personally, nor knows the fronts themselves. Consequently, Knox and his officers are the only people who can keep the War Office informed as regards details of the Russian Armies. Thirdly, it would be inadvisable for the Military Attaché to touch Secret Service; and, from the point of view of Operations and Intelligence, the subjects of Censorship (as conducted here), of passports, and of War Trade have only a distant interest. For these reasons, and others which I cannot telegraph, I am clearly of opinion that the proposals I made in my H.W. 5 are the only practical and workable solutions of a somewhat complicated and difficult state of affairs.
Chief of the Imperial General Staff to General Sir Henry Wilson.

(29706. Cypher.)

Since you do not consider it practicable to place officers mentioned under Knox, I agree to proposal (see your H.W. 5 of the 6th February). You do not mention question of officers to be attached by Knox to Hanbury-Williams. I consider this essential. It is the procedure adopted by the French, whose identifications are always ahead and fuller than ours. It is also the only (method ?) by which we can ensure information from here reaching the Shafka within reasonable (time ?). Can you arrange it?

General Sir Henry Wilson to the Chief of the Imperial General Staff.

(H.W. 14.) February 21, 1917.

Your 29706. Hanbury-Williams raises objections to attachment of an officer from Knox, which appears to me to be sound, and I think you will find that in future the work will be greatly improved by the changes now being carried out. I will explain fully on return home, and meanwhile reorganisation of Knox and Hoare offices and duties will be carried out.

APPENDIX (B).

Copy of Telegram from General Sir Henry Wilson to the Chief of the Imperial General Staff.

(H.W. 4. Cypher.)

February 5, 1917.

I am leaving General Poole and Lieutenant Notcutt in Russia. Poole will create an organisation for the more rapid delivery of guns and ammunition, the training of some Russian personnel, the formation of trench mortar and aviation schools, and, generally speaking, will assume responsibility for all artillery, aviation, and munition material which we send to Russia.

He will also act as expert Artillery Adviser to the Grand Duke Serge, and so far as he can, he will put Western ideas into the Russian artillery.

In order to allow Poole to do this he requires at once the following staff:—

One G.S.O. 1, and I suggest Lieutenant-Colonel Finlayson, now in the 1st Corps.

One G.S.O. 2. Suggest Notcutt, now here.

One trench mortar officer. Suggest Captain Hand, now D.T.M.O. in France.

Two really good N.C.O.'s as instructors in 2-inch and Stokes trench mortars.

One officer to organise despatch of material from the ports to the places of assembly. Suggest Captain Banting, R.G.A., now in France.

One chief I.O.M. Suggest Major Truscott, now A.O.D., 1st Army.

Two sergeant artificers.

One clerk.

The Aeroplane School, now at Moscow under Major Valentine, will require the following staff:—

One officer to train in observation for artillery co-operation. Suggest Major Harvey Kelty, now in France.

One flying instructor. Suggest Captain Strugwell, now in England.

One officer in charge of supplies and M.G. instruction. Suggest Lieutenant Smith, now Canada House.

One officer wireless expert.

One N.C.O.

One N.C.O. M.G. expert.

Two clerks.

Six fitters.

Two riggers.

Considering nature of the duties and in view of heavy living expenses, I will suggest certain temporary ranks and rates of allowances later.
Milner, the Emperor, the Grand Duke Serge, all agree to the main proposals in the telegram. I am confident this scheme is the best we can devise to attain our object in the limited time before the great offensives commence, and that it will more than double the value of the material we are giving to Russia, but its success will in great measure depend on the promptitude with which it is carried out.

Poole's headquarters will be at Petrograd, and he will wire and write direct to you.

General Sir Henry Wilson to the Chief of the Imperial General Staff.

(Extract.)
(H.W. 5.)
February 9, 1917.

Present situation and distribution of duties quite impossible and unworkable.* In future General Poole will take over all duties connected with munitions, . . . . Poole will have headquarters at Petrograd.

Chief of the Imperial General Staff to General Sir Henry Wilson.

(9 107.) February 9, 1917.
Your telegram H.W. 4 of the 5th February concerning staff for Poole. Matter is being taken up.

Chief of the Imperial General Staff to General Sir Henry Wilson.

(Extract.)
(24223.) [Date (?).]
February 9, 1917.
Your H.W. 5 of the 6th February. . . . . Poole will communicate direct to War Office on munition questions, and should detail an officer to act as liaison officer between himself and Hanbury-Williams, and to keep the latter informed.
Should he not have an artillery officer at each port, or is Hallwood to act as one? It is proposed that Pennecooke and other heavy artillery officers be under Poole. . . .

General Sir Henry Wilson to the Chief of the Imperial General Staff.

(H.W. 8.)
February 15, 1917.
May I take it that my proposals, as outlined in my H.W. 4 of the 5th February, are agreed to?
As regards points affecting Poole contained in your telegram 24223, Poole has been ordered to send copies of all his telegrams and despatches to Hanbury-Williams and Knox, and to keep in constant touch with both.
I consider the question of a liaison officer may be left to him.
As regards artillery officers at ports, Poole will develop organisation as he finds necessary.
Quite agree as to heavy artillery officer being placed under Poole. . . .

Chief of the Imperial General Staff to General Sir Henry Wilson.

(29329.)
February 12, 1917.
Please consider carefully, in consultation with Knox, exact scope of Poole's duties as regards munitions.
We here include, under munitions, such commodities as rolling-stock and rails, as well as raw materials destined for military purposes, like metals and leather.
Do you propose that Poole should replace Knox as regards such matters?
Ministry of Munitions, Treasury, and Naval Transport are concerned at this end, Callwell's branch representing the War Office.
It might be practicable to confine Poole's activities to armament, but Russian factories, and therefore raw materials, are concerned even in this.
I look to you to define Poole's position very clearly. If you and Headlam will study W.O. telegrams to M.A. for some weeks past, you will see the kind of questions which are constantly arising.

[Note.—Above telegram received only on return to Petrograd from front on February 17, 1917.—H.W.]

* N.B.—This refers to Knox and not to Poole.
Chief of the Imperial General Staff to General Sir Henry Wilson.

(29582.) [Date (?).] Your proposals in H.W. 4 are approved, and officers and others are being collected for despatch as quickly as possible. Names will be telegraphed Military Attache, Petrograd.

General Sir Henry Wilson to Chief of the Imperial General Staff.

(H.W. 11.) February 18, 1917. My H.W. 4. Poole urgently requires as Interpreter Second-Lieutenant George Hill, of 35, Bassett Road, Kensington, who lately received commission, and is now at Aldershot.

General Sir Henry Wilson to Chief of the Imperial General Staff.

(H.W. 12.) February 18, 1917. Your wire 29329 only received by me last night in return from my trip. Milner's telegram of the 9th February to the Prime Minister really answers your question, but I will briefly define Poole's duties again.

Poole, who will be separate to the Military Attache and Hanbury-Williams, and who will communicate direct with London, will divide his office into the following sub-sections:

1. Representative of Munitions, with duties as defined broadly in Milner's telegram; supervision of arrival of material at ports and transportation by rail. Layton suggests Lieutenant-Colonel Byrne as head of this subsection, and he will have officers at the ports and in Petrograd under him.

2. Collection and assembly at various centres of guns, ammunition, and mortars, and instruction and formation of schools.

3. Aeroplanes and their schools.

In addition, Poole will be technical adviser to the Grand Duke Serge, and, so far as the Russian authorities will permit, Poole will follow the fortunes of guns, mortars, and aeroplanes at the front. These are our present arrangements, but on return home it will be necessary to examine into the working of Harmonius and Callwell, and bring their offices into harmony with Poole's new organisation out here. There will in future be four people to deal with at Shafka and in Petrograd, viz., Hanbury-Williams, Knox, Hoare, Poole. Each in close touch with, but independent of, the other . . .

General Sir Henry Wilson to Chief of the Imperial General Staff.

(H.W. 13.) February 21, 1917.

Headlam remains behind for about three or four weeks to see some parts of the front not yet visited.

Poole will commence to work in accordance with proposals already wired directly I leave.

APPENDIX (C).

General Poole.

1. You will remain in Russia as the head of the new organisation to be called the "Military Equipment Section."

2. You will deal with the following subjects:—

(a) Advising as to the supply and supervising the delivery of munitions of every description, and keep authorities at home posted as to munitions situation in Russia.

(b) Collecting, assembling, and equipping of armaments and aeroplanes sent out by the War Office by the Russian Supply Committee in London.

* This is subject to the concurrence of authorities at home.
(c.) Formation of schools and the training of as much personnel as the Russians will allow.

(d.) Technical advice to the Grand Duke Serge.

(e.) Follow the fortunes of all material you send to the front, and advise the commanders as to the best use and upkeep of the same.

3. In order to carry out these duties you will establish an office on the following lines, but you are at liberty to vary these proposals as you gain experience and feel your way.

General Poole.

Staff.

| Munitions and | Collecting and assembling of | Aeroplanes and schools |
| transportation from | armaments and formation of schools | ports to destination |

* The Ministry of Munitions has been asked to send out an officer as the head of this subsection.

4. You are, unofficially, attached to the War Minister.

5. Your headquarters will be at Petrograd, where you will establish a suitable office.

6. You will be independent of the Military Attaché or the British Mission at Stavka, but you will keep both these offices fully informed of all matters of interest to them.

7. You will deal direct with the G.I.G.S. on all matters of policy, but in matters of detail your subsections will deal direct with their opposite numbers in London.

8. The success of the scheme is so much a matter of personal effort on your part, and on that of the officers and n.c.o.'s under you; and the novelty and perplexities of our attempt to set up this organisation in a strange country at this period of the war are so great, that it does not seem either wise or possible to do more than draw up in outline the object aimed at, or the machinery to be set up.

These instructions must therefore be acted on only so far as they seem practical or practicable, but you will not make any real change without submitting the proposed alterations to the C.I.G.S.

APPENDIX (D).

Proposals as to rank and pay.

The Office of Military Attaché:

1. Colonel Knox to be Brigadier-General. No alteration in pay or allowances.

2. Lieutenant-Colonel Blair to be G.S.O. 1, and remain Assistant Military Attaché. No alteration in pay or allowances.

3. Major Thornhill to be G.S.O. 2.

4. Captain Scale to be temporary Major and G.S.O. 2.

5. Clerk A. Hodson to be given a commission as Sub-Lieutenant, R.N.R., and gazetted senior to Second-Lieutenant Gerhardi.

The Office of General Poole (Military Equipment Section):

Staff.

1. Brigadier-General Poole to be temporary Major-General with pay as Major-General, R.A. Army.

2. Lieutenant-Colonel Finlayon (?) to be G.S.O. 1.

3. Lieutenant Notcutt to be temporary Captain and G.S.O. 3.


5. Major Valentine to be temporary Lieutenant-Colonel and Wing Commander and pay accordingly.


7. Sir Victor Warrander to be given a temporary commission and to act as A.D.C. to General Poole.
The Office of War Trades:

The status of Lieutenant-Colonel Sir S. Hoare under the new arrangements is a matter for discussion between the War Office and the Foreign Office, previous to which I am not in a position to make any recommendations. Captain S. Alley has not now got a living wage, but if my proposal for a flat rate of 20 roubles' allowance is adopted this case will be met.

2. Generally speaking the rate of pay and allowances should be higher in Russia than elsewhere, for the following reasons:

1. Officers sent out to Russia run a serious chance of being forgotten or overlooked, and their military prospects suffering thereby.
2. The cost of housing, food, travelling, tips, &c., are far greater in Russia than in France, and expenses in Russia are steadily increasing.

3. For these reasons I think that allowances should be granted at, at least, 20 roubles a day—a flat rate.
4. General Poole and his staff must have good offices in a reasonably central situation. These will be very difficult to obtain and will be expensive, but they are essential to the smooth and efficient working of this new organisation.
5. I attach copies of notes by Colonel Knox and General Poole.

APPENDIX (E).


(Date of first commission, June 26, 1901.)

Colonel Blair was given the temporary rank of Major in 1915 to make him senior to Major Campbell, R.A., who was sent out in 1914 by M.I.1.C for Secret Service, and formed the British Mission in the Petrograd War Office.

He was gazetted Temporary Lieutenant-Colonel in 1916, when it was expected that he would take my place as Military Attache. Neither of these temporary promotions were, therefore, conferred as rewards, and he has not yet been gazetted a Staff Officer. If Colonel Blair returned to regimental duty now, he would revert to the rank of Captain. Major Neilson (not a Staff College graduate) was gazetted a General Staff Officer when detailed for duty in Russia at the commencement of the war. It would be interesting to know whether Colonel Blair's duties will be considered as service on the Staff in the same way that Major Neilson's will be after the war. Colonel Blair is probably the only Staff College graduate still remaining a Captain.

Major Thornhill, Indian Army (Assistant Military Attaché).

(Date of first commission, January 18, 1902.)

Major Thornhill came to Petrograd in May 1915 in charge of the Intelligence Mission which was reorganised by him. He was told to put on Staff badges before he left England, but has not yet been gazetted a General Staff Officer. He was appointed Assistant Military Attaché when it was decided to hand the Intelligence Mission over to Sir Samuel Hoare, M.P., on the 16th July, 1916, but his appointment has not appeared in the Gazette, vide Dirmilint's telegram No. 23922 of the 16th February, 1917, to the Military Attache.

Captain Scale, Indian Army (in charge of Military Section of Intelligence Mission).

(Date of first commission, May 8, 1901.)

Captain Scale was sent out to Russia in August 1916, as it was necessary for Colonel Hoare to have someone with military knowledge in the Mission. He was recommended in France for accelerated promotion. He was told, like Major Thornhill,
at the War Office to wear Staff badges on coming out, but has not yet been gazetted a
g.S.O. In the view of the presence in official positions in Russia of officers of less
than three years’ service, such as Majors Edwards and Hallward, Captain Scale should be
given the temporary rank of Major.

It should be noted that Lieutenant Notcutt, General Poole’s Staff Officer, has been
recommended by General Sir Henry Wilson to be appointed g.S.O. 2. This officer
has less than three years’ service, and if this appointment is made, Colonel Blair should
be graded as g.S.O. 1 and Major Thornhill and Captain Scale as g.S.O. 2.

KNOX.

APPENDIX (F).

STATEMENT OF PAY AND ALLOWANCES OF OFFICERS IN RUSSIA.

Military Attachés Office.

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<thead>
<tr>
<th>Name</th>
<th>Pay</th>
<th>Allowances</th>
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<tr>
<td>Lieutenant-Colonel J. M. Blair, D.S.O. (Assistant Military Attaché)</td>
<td>£ 1,000 0 0</td>
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</tr>
<tr>
<td></td>
<td>Consolidated pay</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A guinea a-day each day absent from headquarters</td>
<td></td>
</tr>
<tr>
<td>Major C. J. M. Thornhill, I.A. (Assistant Military Attaché)</td>
<td>£ 425 0 0</td>
<td>£ 385 0 0</td>
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<tr>
<td></td>
<td>Indian pay of double company officer</td>
<td>(approx.)</td>
</tr>
<tr>
<td></td>
<td>Detention allowance at 12 ls. per diem</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suggest should be made g.S.O. 2 and allowances, 800L per annum.</td>
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Clerks:

A. Hodson, 201. per mensem

Should be given commission as Sub-Lieutenant, R.N.R., and gazetted
senior to Second-Lieutenant Gerhardi.

Second-Lieutenant Gerhardi—

Pay, 7s. 6d. per diem

Detention allowance, 10s. per diem

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<tr>
<td>£ 135 0 0</td>
<td>£ 182 10 0</td>
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British Intelligence Mission.

Lieutenant-Colonel Sir S. Hoare—

Pay of Yeomanry Captain

Detention allowance, 11 ls. per diem

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Captain Scale, I.A. (17 years’ service)—

Pay as double company commander, 42l. per mensem

Detention allowance, at 15s. per diem, 22l. 10s. per mensem

Should be made g.S.O. 2 and allowances.

Lieutenant L. Stemm—

Pay of rank, 8s. 6d. per diem, 12l. 5s. per mensem

Detention allowance, 15s. per diem, 22l. 10s. per mensem

Second-Lieutenant A. Hill—

Pay of rank, 7s. 6d. per diem, 11l. 5s. per mensem

Detention allowance, 15s. per diem, 22l. 10s. per mensem

Sub-Lieutenant L. Hodson, R.N.V.R.—

Pay of rank, 7s. 6d. per diem, 11l. 5s. per mensem

Detention allowance, 15s. per diem, 22l. 10s. per mensem

Military Permits.

Captain S. Alle—

Pay of rank, 12l. 6d. per diem, 18l. 10s. per mensem

Detention allowance, 15s. per diem, 22l. 10s. per mensem

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<td>£ 630 0 0</td>
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Captain Bullock, Canadian Army—

Pay of rank, 30l. per mensem

Detention allowance, 15s. per diem, 22l. 10s. per mensem

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<td>£ 630 0 0</td>
<td>£ 405 0 0</td>
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Sub-Lieutenant F. Urmston, R.N.V.R.—

Pay of rank, 7s. 6d. per diem, 11l. 5s. per mensem

Detention allowance, 15s. per diem, 22l. 10s. per mensem

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<th>Allowances</th>
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<td>£ 405 0 0</td>
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<td>Name</td>
<td>Rank</td>
</tr>
<tr>
<td>-------------------------------</td>
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<tr>
<td>Sub-Lieutenant Maclaren, K.N.V.R.</td>
<td>Pay of rank, 7s. 6d.</td>
</tr>
<tr>
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<td>Detention allowance, 15s.</td>
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<td>Military Censorship.</td>
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<tr>
<td>Lieutenant-Colonel Benet, Lancashire Fusiliers—</td>
<td>Pay as G.S.O. 2</td>
</tr>
<tr>
<td></td>
<td>Detention allowance, at 11. 1s. per diem*</td>
</tr>
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<td></td>
<td></td>
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<tr>
<td>Lieutenant O. Rayner, Intelligence Corps—</td>
<td>Pay as Staff Captain, first class</td>
</tr>
<tr>
<td></td>
<td>Detention allowance, at 15s. per diem*</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>* No detention allowance has as yet been paid in either case.</td>
<td></td>
</tr>
<tr>
<td>Instructor in Flame Projectors.</td>
<td></td>
</tr>
<tr>
<td>Second-Lieutenant Lawrence—</td>
<td>Pay of rank, 7s. 6d.</td>
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<tr>
<td></td>
<td>Detention allowance, 15s.</td>
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<tr>
<td>Instructors in Gas Masks.</td>
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<td>Captains Hicks and Schwabe—</td>
<td>Pay (as for G.S.O. 2)</td>
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<tr>
<td></td>
<td>Detention allowance, 15s. per diem</td>
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CONFIDENTIAL
G.-133.

NOTE BY LORD MILNER ON THE PROCEEDINGS OF THE ALLIED CONFERENCE AT PETROGRAD, JANUARY-FEBRUARY 1917.
[Previous Papers, Nos. G.-130, G.-131, and G.-132.]

At the Allied Conference held in Paris on the 15th and 16th November, 1916, the late Prime Minister, Mr. Asquith, dwelt on the desirability of an early conference in Russia between statesmen and generals of the Western Powers, and representatives of the Russian Government and army, in order to secure real co-ordination of plans on the Eastern and Western fronts. The proposal was warmly supported by Mr. Lloyd George, then Secretary of State for War, at the same Conference, and presented by him in the form of a resolution, which, though not adopted in a formal record, was accepted by the Conference as an agreed decision.

Political events in France and Great Britain, however, made an immediate mission to Petrograd impossible, but at the Anglo-French Conference held in Downing Street, over which Mr. Lloyd George presided, on the 23rd December last, the 9th January was provisionally settled as the date of the mission's departure from England, and, though there was a further delay owing to the intervening Rome Conference early in January, the Allied Mission left London on the 19th January and arrived at Petrograd on the morning of the 29th January, travelling by way of Port Romanov and the Murman Railway.

The Allied countries taking part in the Conference were represented by—

France—
M. Gaston Doumergue, Minister of the Colonies, ex-President of the Council.
M. Paleologue, French Ambassador in Petrograd.
General de Castelnau.

Great Britain—
Viscount Milner, Member of the War Cabinet.
Sir G. Buchanan, His Majesty's Ambassador in Petrograd.
Lord Revelstoke.
General Sir H. Wilson.

Italy—
Senator Scialoja, Minister without portfolio.
Marquis Carlotti, Italian Ambassador in Petrograd.
Lieutenant-General Count Rugieri Laderchi.

Russia—
M. Pokrowski, Minister for Foreign Affairs, President of the Conference.
Admiral Grigorovitch, Minister of Marine.
General Belayef, Minister of War.
M. Bark, Minister of Finance.
Prince Schakhovsky, Minister of Commerce.
M. Woynowsky-Krieger, Acting Minister of Ways and Communications.

His Imperial Highness the Grand Duke Serge, Inspector-General of Artillery.

General Gourko, Acting Chief of the Military Staff.

Admiral Roussine, Chief of the Naval Staff.

M. Sazonof, Russian Ambassador in London.

M. Neratof, Assistant Minister for Foreign Affairs.

Three days were occupied in preliminary formalities, including an official reception of the Allied delegates and their Staffs by His Majesty the Emperor at Tsarskoe Selo, and it was not until the afternoon of the 1st February that the first formal meeting of the Conference took place. The full record of what occurred at this and subsequent meetings will be found in the copy of the proces-verbaux annexed to this despatch, and all that need be said here is that:

1. It was immediately obvious that no real business could be transacted at the plenary meetings of the Conference, where, including secretaries, some forty-five people were present, of whom twenty-one were delegates.

2. A programme of work for the Conference was submitted by the President, M. Pokrovski, under four main heads: Political, military, munitions and material, and financial.

3. It was agreed that these four questions should be considered by Committees of those Delegates who were specially qualified to deal with the respective subjects.

The results of the deliberations respecting the military conduct of the war, material and munitions, and finance, will be described in the special reports dealing with those matters. The political questions set forth for discussion in M. Pokrovski's programme (see Appendix p. 5) were of far less importance as regards the war than the other three subjects, and the conclusions regarding them were little more than academic.

The discussion about Greece included an attempt by General Gourko to secure a completely free hand for General Sarrai, which was easily countered by my Italian colleague and myself. The French Ambassador introduced a request of his Government, addressed to the three Allies, to agree to the occupation of Volo and Larissa by Allied troops. It appeared that the Russian and Italian Governments acquiesced in the proposal, but I, while expressing the personal opinion that the conditions accepted by the Greek Government could be held to include such an occupation, refused to commit His Majesty's Government or to consider the question one that really lay within the competence of the Conference to discuss. I learnt subsequently that His Majesty's Government had refused their assent to the French proposal.

Two other Greek questions were discussed. One, raised by the Italian Delegate, that of alleviating the pressure of the blockade in proportion as the Greek Government carried out the terms laid down by the Allies. The other, the somewhat delicate one of want of cohesion among the Allied Ministers at Athens, put forward by M. Pokrovski. The decisions taken by the Conference on these two points are recorded in the proces-verbal of the sitting of the 6th February. They embody admirable principles, but their execution depends on factors which are really outside the scope of the Conference, so that they represent little more than a pious and unanimous opinion.

It was agreed that the question of utilising the services of those enemy prisoners, who in reality adhere to the Allied cause, should be referred to the sympathetic consideration of the Allied Governments. This decision mainly applies to Italy and Russia; so far as His Majesty's Government are concerned, there are, I
understand, comparatively few Czech, Jugo-Slav, or Polish prisoners in our hands, and we have now for a long time given every facility for Arabs and Armenians to work against their oppressors.

Another resolution, in the form of a vceu, concerned the Serbian Army. Although mainly a military question, it had been put down for discussion in the political series, and I had no hesitation in adhering to the proposal that the war-worn Serbian Army should be withdrawn from the front so far as possible, and that its ranks should be reinforced by Slav prisoners who were prepared to join.

The effect of the announcement of the German "blockade" of the coasts of Great Britain and France on the United States, and the Scandinavian countries did not become sufficiently clear before the close of the Conference to allow of any useful consideration of the two remaining points suggested by M. Pokrovski for political discussion—the possible economic consequences of the attitude of America, and questions regarding the application of the Allied blockade to Scandinavian countries—so that, with the resolutions above referred to, the official "programme of discussion" was exhausted.

In the course of our deliberations, however, other points had been raised of considerably more importance than those set down by M. Pokrovski, and I propose to deal with them now as briefly as possible.

A summary of the conclusions of the Military Committee (see p. of records of Conference), was read at the Political Conference of the 6th February, at which the Military Delegates were also present. These conclusions were, prudently enough in the interests of secrecy, couched in such extremely vague terms, that almost the only definite fact that emerged was the abandonment of any serious attempts to recover Roumania this year. I therefore raised the point that economic considerations should not be left out of account in the preparation of strategic plans, and laid stress on the great advantage of denying the rich cornfields of Wallachia to the enemy, and I asked whether this had been taken into consideration. General Gourko replied that it had been agreed that each High Command should be entirely free to choose its own point of attack, and that the question must be settled entirely by considerations of strategy. This view, which was supported by General de Castelnau, is no doubt militarily right, but the political and economic consequences of what is clearly the Russian intention, to do nothing on the Roumanian front, may be very serious.

General de Castelnau urged with great emphasis that Japan should be asked to help far more actively than she had done hitherto, both in supplying guns and munitions, and more particularly in furnishing troops. The Conference at once accepted M. Doumergue's distinction between the two demands, that guns and munitions could be asked for as from any other provider of war material, and paid for, but that Japan could only be requested to send troops as an Ally, and that her price for this would be some big political advantage. We felt that a request for troops might be met with a direct refusal, a knowledge of which might diminish the outward solidarity of the Alliance, and encourage the separatist efforts of the enemy. M. Sazonof's earlier efforts to obtain Japanese troops seemed to show, moreover, that such a refusal was almost certain. On the other hand, should Japan agree, subject to conditions, those conditions would probably be so difficult, that the price would be out of all comparison to the direct advantages. M. Pokrovski pointed out the one possible gain in making a demand which we were fairly confident would be refused, namely, that Japan would have weakened her position when the time came to divide the spoils. The general sense of the Conference was however entirely against making the appeal at all, and General de Castelnau admitted the force of the political objections advanced.

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In the course of the discussion respecting Greece, M. Pokrovski proposed the formation of a permanent Allied Committee to ensure unity of allied action in Greece. This proposal was not carried further as regards Greece, but it led to an important discussion on the question of establishing a permanent Council for the higher conduct of the war, composed in theory of the four heads of the Allied Governments. I am elsewhere dealing fully with this question, which I regarded as the one really important point considered at the Political Conferences, and I need not go further into it here.

Finally, I should also record the fact that M. Bratiano, who was in Petrograd when the Allied Mission arrived there, was allowed to attend the sitting of the 6th February, when the conclusions of the Military Committee were read. M. Bratiano had urged very strongly his claim to be present when questions connected with Roumania came up for discussion, and, as there were no agenda respecting Roumania before the Conference, it was agreed that he might hear the military decisions in regard to action on the Roumanian front. We took this decision, in spite of the possibly inconvenient precedent caused thereby, in order to save M. Bratiano from the very difficult position in which he would have found himself on his return to Jassy, if he had had to tell his Government that the Allies had shut him out entirely, and he was therefore unable to say what they proposed in regard to Roumania. We felt that it was really desirable, in the present situation, to show the Roumanians that M. Bratiano still had the confidence of the Allies. I would add that M. Bratiano took no part whatever in the discussion of the meeting, which was the only one at which he was present, and that his name does not appear in the official record.
APPENDIX

PROJET DE PROGRAMME DE LA CONFÉRENCE.

I.—Questions générales relatives à la Conduite de la Guerre.*

Point 1.—Les campagnes de 1917 devront-elles avoir un caractère décisif ? ou serait-il, par contre, nécessaire de renoncer à obtenir des résultats définitifs au cours de l'année 1917 ?

Point 2.—Si la décision de donner aux campagnes de 1917 un caractère décisif était maintenue, serait-il possible d'entreprendre des offensives d'ensemble suffisamment tôt pour interdire à l'ennemi la reprise de l'initiative des opérations ?

Point 3.—S'il faut, au contraire, admettre la possibilité de nouvelles initiatives de l'ennemi, ne serait-il pas nécessaire de prévoir des opérations secondaires, mais toutefois suffisamment efficaces en vue de conserver aux Alliés l'initiative des opérations jusqu'au moment où pourront être déclenchées les offensives d'ensemble ?

Point 4.—Les opérations offensives d'ensemble devront-elles avoir pour but de porter à l'adversaire un coup décisif en frappant le centre même de sa résistance, ou serait-il, au contraire, préférable de l'attaquer sur un point où il offre une résistance relativement moindre ?

Point 5.—Quelle est l'importance du théâtre des Balkans dans la conjoncture actuelle ? Faut-il poursuivre la réalisation du projet de l'isolation de la Turquie par une action convergente de l'armée russe-roumaine et de l'armée de Salonique contre la Bulgarie ?

Les décisions de la Conférence de Chantilly à ce sujet peuvent-elles être maintenues ou doivent-elles être modifiées ?

S'il n'est pas jugé possible d'entreprendre une action offensive énergique contre la Bulgarie sur le théâtre de Macédoine, quel sera le rôle de l'armée de Salonique ?

Devra-t-elle, en renonçant à une action offensive, se borner à immobiliser les forces de l'ennemi sur ce théâtre et l'empêcher de mettre la main sur la Grèce ?

Devra-t-on, en ce cas, conserver Monastir, Varna ?

Situation de l'armée roumaine.

Point 6.—Quelles sont les vues des Gouvernements et des commandements alliés sur les intentions de l'adversaire ? Nécessité d'envisager la possibilité d'une action de l'adversaire sur le front russe dans les directions de Moscou ou de Pétersbourg, une action de ce genre présentant à l'ennemi des avantages en raison de l'étendue excessive du front russe par rapport aux nombres des unités qui le défendent et de la difficulté de transporter au nord, en cas de besoin, les forces russes, concentrées sur le front russe.

Point 7.—Maintien de l'engagement d'appui mutuel à savoir que si l'une des Puissances est attaquée les autres lui viendraient immédiatement en aide dans toute la mesure de leurs moyens par des attaques de leurs armées ou par envoi de renforts à la Puissance attaquée.

Point 8.—Nécessité de la mise en commun des ressources dont disposent les Alliés. Importance de la décision prise lors de la Conférence tenue dernièrement à Paris d'appuyer la Russie en lui fournissant dans toute la mesure possible le matériel qui lui est nécessaire pour la succès des opérations. Pour mener à bien une action offensive de grande envergure, l'armée russe a besoin d'un minimum de moyens techniques—minimum dont elle ne dispose pas jusqu'à présent.

D'après quel principe sera déterminée la quantité du matériel de guerre qui sera fournie à la Russie ? Sera-t-il jugé possible, afin d'obtenir le meilleur rendement, de distribuer le matériel disponible de manière à assurer à chacune des armées alliées un certain minimum ? En ce cas, ce minimum de matériel ne devrait-il pas être proportionné au nombre des unités actives et à l'importance de chaque front tant par rapport à son étendue que par rapport aux problèmes qui lui sont posés.

* Les dates, les chiffres et autres détails seraient établis dans une réunion des délégués militaires appelés à décider des questions stratégiques plus spécialement techniques.
A quelle époque le matériel qui serait envoyé en Russie pourrait y arriver ?

II.—Questions politiques se rattachant à la Guerre.

Grèce.


Armée serbe.

Retrait des Troupes serbes à l’arrière à la suite des Pertes subies.—Utilisations des prisonniers autrichiens de nationalité serbe pour le renforcement de l’arme serbe.

Organisation de Corps de Troupes tchèques par les Puissances alliées.

Rôle des États-Unis.

Propositions du Président Wilson.—Quelles sont les conséquences économiques possibles de l’attitude des États-Unis dans la question de la paix tout en ce qui concerne les commandes, ainsi que les finances ?

Questions relatives aux Pays scandinaves.

Questions relatives à l’application du blocus.

III.—Questions de Matériel de Guerre et autres nécessaires au Succès des Opérations.

Questions des métaux et d’autres produits nécessaires aux Alliés et notamment à la Russie pour la conduite de la guerre et qui pourraient être importés de pays neutres, en particulier de la Suède et du Japon. Côté financier de la question.

IV.—Questions financières.
CONFIDENTIAL.
G.-134.

ALLIED CONFERENCE AT PETROGRAD, JANUARY—FEBRUARY, 1917.

REPORT TO LORD MILNER BY MR G. R. CLERK.

(Previous Papers Nos. G.-130, G.-131, G.-132, and G.-133.)

Mr. George Clerk to Lord Milner.

My Lord,

H.M.S. “Kildonan Castle,” March 1, 1917.

The reports which your Lordship has received from Lord Revelstoke, General Sir Henry Wilson, and the Munitions Committee, and your own memoranda and records of conversations with Russian statesmen and people of importance, in conjunction with the proces-verbaux of the actual sittings of the Conference, will give His Majesty’s Government a complete record of the work done, and the results achieved, by your Lordship’s Mission to Russia. Any further report from me, therefore, might seem to be merely adding to the mass of papers, especially as no move was made by the Russian Ministry for Foreign Affairs to discuss any of the matters which more directly affect the Foreign Office. Your Lordship would, however, probably wish that the conversations which I had respecting Poland and Roumania should be placed on record, as, in a sense included in the work done by the Conference, and I may perhaps be allowed to submit some short observations on the Russian situation as it appeared to me, considered, not so much in direct connection with the war, as from its bearings on our political relations with Russia in general.

Poland.

I annex (Enclosure 1) a summary of my conversations with the Polish leaders in Petrograd, together with papers written for me by Count Wielopolski and Count Sobanski in Petrograd, and Prince Matthias Radziwill in Moscow. The latter represents the ultra-Polish party, and, though recognised as an ardent and patriotic Pole, is regarded by the Central Polish Committee as somewhat visionary and unpractical. The Central Committee, the bulk of whom are now collected in Petrograd under the presidency of Count Wielopolski, can be fairly taken to represent the best and most sensible Polish opinion, and their views are, by their own admission, fairly stated in the record of my conversation. These views are also, so far as interrupted communications allow of so definite an assertion, those of the two most-trusted Polish political representatives abroad, M. Roman Dmowski in London, and M. Seyda in Lausanne (the latter a German Pole). In the multitude of Polish agents and self-appointed committees, I think there is no doubt that this Central Committee is the one that speaks with most authority, and that takes the most practical view of what is possible for Poland, and how it should be attained. It is true that the Galician Poles, with their happier experiences of Austrian rule, are not yet whole-heartedly at one with the Russian and German Poles, but they are beginning to realise more and more what is, in my humble opinion, the first essential in any advance towards Polish unity and independence, namely, that the initiative depends on, and must come from, the Russian Government, unless Russia herself, of her own volition, and without pressure from other Powers, offers all the Poles a measure of independence, such as that outlined in the Emperor’s announcement to Count Wielopolski, Poland can never start fair on her progress to self-government.

Great importance therefore attaches to the decisions of the Committee of Ministers and high officials, including M. Sazonoff, whom the Emperor has just appointed to consider the Polish question. The prospects of a satisfactory report to the Emperor are good in the sense that M. Sazonoff, one of the foremost advocates of Polish autonomy, admits that events have moved so fast that now what he had considered sufficient for Poland is much less than what will have to be accorded. Moreover, the Emperor himself, with whom the final decision rests, is the most sincere friend whom the Poles...
have in Russia. On the other hand, every other Russian dislikes and distrusts the Poles, and I shall be agreeably surprised if the finding of the Committee does not propose limitations which will considerably detract from the value of their gift to Poland. There is also another danger, in that the Duma, whose President, M. Rodzianko, is one of the members of the Emperor’s Committee, is agitating for a discussion of the Polish question in their House. If this is allowed, Poland will become a political plaything among the various parties, and I fear that the result can only be disastrous. I say “disastrous” deliberately, for unless some solution of the Polish question that will satisfy sensible Polish opinion can be offered, and offered soon, not only will Germany succeed in obtaining use of the greater part of Polish man-power, with consequences that are obvious to all, but at the end of the war Poland will remain a ready instrument for German aggression, and a potential cause of further war.

It will, however, not be enough that Russia should make a satisfactory offer or promise to Poland. The second essential is that whatever is offered must be counter-signed by the Allies. Only with this guarantee will the Poles have any trust in Russia’s promise, while they are so starving for political liberty that they will, hating Russia, accept Germany’s offer, like a man dying of thirst, who will drink a cup of water though he knows it to be poisoned. It will not be easy for the Allies to get Russia to accept their counter-signature in a form strong enough to satisfy the Poles, but it must be done, and can, in my humble opinion, be fairly insisted upon when the Committee reports, for an extension of Poland under Russia’s aegis into Austria and Germany is most undoubtedly an international question.

Roumania.

I annex a record of a conversation which I had with M. Bratiano. It contains the substance of what he said to your Lordship and to one or two other members of the Mission, and needs no comment here. I may, however, call attention to the evident intention of Russia to leave Roumania to shift for herself at present. Your Lordship will remember that this came out clearly in the conclusions of the Military Committee, as read to the Conference, and that, when you raised the point that economic considerations should not be left out of account in the preparation of strategic plans, and emphasised the importance of denying the rich cornfields of Wallachia to the enemy, the reply was that each Higher Command was individually free to attack where it would, and that strategic considerations were the dominant factor. This is an incontrovertible military principle, but I doubt whether the Russian decision was guided by that alone, and I fear that the economic and political results of practically leaving Roumania alone during the present year may have serious consequences for the Allies. It is significant that Professor Struwe, the chairman of the Committee for the Restriction of Enemy Supplies, probably the best working organisation in Russia, in an independent conversation, urged the enormous importance of an offensive through Roumania, for economic reasons.

Silver for Persia.

The only directly Foreign Office question that was raised during the stay of the Mission in Petrograd was a request made by M. Bark at the Financial Conference of the 7th February, for silver to pay the Russian troops in Persia. This is a complicated subject, and one which means a good deal more than appears on the surface, as it is really one of the many efforts made by the Russians to weaken the position of the Imperial Bank of Persia in favour of the Russian Banque d’Escompte. The particular point brought up by M. Bark was referred to the Foreign Office, and I need not discuss it further here.

Decorations.

The British Mission were authorised, as an exceptional case, to accept decorations, should the Russian Government confer them. In consequence, some eighteen members of your Lordship’s staff have received Russian decorations, all of them of a relatively high order. I submit that the permission given to the British delegation implies that His Majesty’s Government are prepared to confer corresponding distinctions on Russian officials who have either taken an active part in the Conference, or been of direct service to the Mission, and it is clear that this is the view of the Russians themselves, who have handed in to the French, Italian, and British delegations a list of those officials to whom decorations should be given, together with a note of the class of order which each individual should receive. There are also a certain number of Court dignitaries and naval and military officers who cannot be omitted from any
general distribution of decorations. I trust, therefore, that it will be recognised that such a distribution is unavoidable unless we are to incur serious odium in Petrograd, and that the actual number and class of decorations may be worked out as soon as possible in conjunction with His Majesty's Ambassador in Petrograd.

General Observations.

When the Mission left England, the position in Russia appeared to be dominated by the possible effects of the assassination of Rasputin. When we arrived in Petrograd, we found that, beyond a general feeling of relief that there was one obnoxious and noisome personality the less in the world, nothing had really been changed by the murder, and the only definite result appeared to be an inclination to doubt the value of assassination as tempering autocracy. This situation is typical of the whole position in Russia to-day. Every member of the Mission heard from all sides, Russian and foreign, of the inevitability of something serious happening; the only question was whether the Emperor, the Empress, or M. Protopopoff would be removed, or perhaps all three. Meanwhile, it was generally agreed that there must be no revolution during the war, and short of revolution, or more murders, no one could say how the power for evil of the Empress was to be broken. The open way in which people of all classes, including those nearest the throne and officers holding high military commands, spoke against the Empress and her two blind tools—the Emperor and M. Protopopoff—was, to one who knew anything at all of Russia, extraordinary. But what to me was almost more remarkable was the manner in which the Mission was kept in a sort of ring fence and prevented from hearing any defence or serious explanation of the Emperor's policy. To some extent this was no doubt due to the reluctance of the reactionaries to give the Mission any excuse for discussing the internal affairs of Russia, but that in turn was, to my mind, largely due to the way in which the liberal and anti-governmental faction endeavoured, and I think with some success, to use the Mission as a demonstration in favour of the principles for which they are fighting. Meanwhile, the fact remains, that until the present Minister of the Interior loses the Emperor's favour, he is the most powerful man in Russia, and it is with him, or a successor of like tendencies, that we shall have to reckon until the war ends.

I do not believe that there will be a revolution before the war is over, unless maladministration and happy-go-luckiness succeed in producing a jacobinage, which is most unlikely. I must, however, admit that I am probably in a minority in this opinion, certainly in Russia (see the annexed record of your Lordship's conversations with M. Chelnakoff and Prince Lvoff at Moscow). The most serious thinkers in Russia, and those who would head an organised revolution, are opposed to it, and many of the people who now indulge in the wildest talk against the Emperor and his entourage are really, like the assassins of Rasputin, trying to save the monarchy in spite of itself. They are ready to use any chance weapon to this end, and there is no doubt that great hopes were built on the advent of the Mission. As an extreme instance, it was largely believed in Petrograd that the Allied Mission intended to offer the supreme command of all the Allied Armies to the Emperor, with headquarters in London, thus necessitating his temporary departure, together with the Empress, from Russia, and the appointment of, obviously, a liberal-minded Regent. Again, considerable efforts were made to induce the Mission to postpone its departure until after the day fixed for the re-opening of the Duma, the 27th February. I am personally convinced that it would have been a mistake to do so, for either the reactionaries would have again postponed the opening, thereby inviting serious trouble, or the Duma, taking advantage of the Mission's presence and the consequent reluctance of the Russian Government to provoke a scandal, would have gone to such lengths as to make repression unavoidable, and the Allies would have left, indelibly tarred in the eyes of Russian autocracy with the Liberal brush.

I venture to repeat that so long as the war lasts, the Allies have to work with the Emperor and the Ministers whom he appoints. It does not much matter whether it is Protopopoff or another—the tragedy about M. Protopopoff is that, in appointing him, the Emperor thought he was really pleasing the Liberal party. But whoever it is he will run the Russian Government on its old lines, more or less efficiently according to his individual temperament; but it is with a Government moving on those lines that we have to work, and all that we can expect form Russia is the best that such a Government can produce. It is idle to count on more, and useless to try to drive in our ideas of better methods. There is only one real remedy for the vices of the Russian Government, that is, to scrap the whole machine. But this is just what we cannot
afford to do; we have not time nor money enough to create a new up-to-date machine, and the old one, if carefully used and not too roughly handled, can still do much good and useful work, and our task is to get the best of that work out of it.

We should also bear in mind that in a country such as Russia, where there is no real system, and no complex organisation, personality counts for far more than anything else. It does not matter whether we send a field-marshal or a second-lieutenant to do a particular job; if whoever is sent happens to possess the indefinable something which attracts the Russian, he will be able to do almost anything with them; but if he has not that gift—and it is impossible to predicate it in advance—no matter how good and advantageous the system which he has to inaugurate may be, the Russians will see that it never has a chance of working properly.

Lastly, it is to my mind all important to finish the war with the minimum of friction and the least possible sum of mutual grievance between Russia and Great Britain. The first impression I had on arriving in Petrograd was that the Russians—the Government—were afraid of us, the British Mission. They were courteous and hospitable beyond expression; but, though the almost open hostility of General Gourko and Admiral Roussin was the exception, the general attitude was one of anxious expectation, and I think the Mission can fairly claim that in that respect at least the Russians were agreeably disappointed. Personal contact has made for good relations, but Russia is a woman who has long had Germany for a master, has grown weary and broken away, not to stand alone, but to find a new mate; she is ready, and even anxious, to find such a one in Great Britain; but the strain of war has revealed features which gave her pause, and she may yet, unless very delicately handled, return to her first love.

I have, &c.

G. R. C.

I HAVE had some long conversations with the principal leaders of the Russian Poles, especially with Count Wielopolski, Count Zamoiski, Prince Liebomirski, and Count Sobanski. The gist of them can, however, be very briefly summarised.

The danger, in the opinion of these Polish leaders, that actually threatens both the Allies, and Poland itself, at the present time is the intention of the German Government to form a Polish army, which can amount to some 1,400,000 men between 18 and 50 years of age.

If, however, the Germans attempt to force conscription on the Poles and to enrol them as units of the German forces, the Poles themselves, although their resistance will no doubt be crushed relatively soon, manu militari, will oppose the German endeavour by all means in their power.

On the other hand, if Germany announces her intention of creating a separate, purely Polish, army under Polish command, and organised throughout by Polish officers, there is considerable risk of her achieving some, if not complete, success; more especially if the announcement comes from the Polish Government already organised by the Germans.

Germany does not, however, wish, if she can avoid it, to create this double-edged weapon, nor, equally, is she anxious to take the risk of applying coercion unless and until she sees no other way out.

Meanwhile, the German Government appear to be marking time, and rather relying on the natural pressure of want and hunger to secure, if not Polish soldiers, at least Polish workmen, who will free Germans for the front.

This being so, the German interest being not to hurry matters, the Polish leaders feel that the best course for Russia and her Allies lies in immediate action. They consider that an announcement of an intention to create a real Polish army, proclaimed by Russia and counter-signed by the Allies, would certainly make the realisation of the German plan out of the question. In this case, it would be the best possible guarantee to the Poles themselves and to the world at large for the future independence of Poland. But to create this army and make it a success, there must be a definite act of State from Russia, supported by the Allies.

Count Wielopolski laid great stress upon the fact that the somewhat vague and large terms in which the Emperor recently defined the future of Poland as His Majest-
conceived it, namely, "its own State constitution with its own Legislative Chambers and its own Army," was the best formula that could be devised.

This statement is at present merely an expression of the Emperor's personal opinion, and before it could acquire the nature of a State document it has to be submitted to the Council of Ministers. The Polish leaders fear that the chance of the formula emerging unscathed, if it ever emerges at all, from the Council, are remote, and that in any case the delay necessitated by discussion in the Council will be fatal.

The Polish leaders are therefore very anxious that the Emperor should be induced to issue his statement as his own Imperial will; they know that in reality that is the only thing that counts in Russia at the moment, and certainly that among the Russian Government the Emperor is the only real friend that the Poles possess.

The Polish leaders would wish, I understand, that the heads of the Allied Missions may be able to influence His Majesty in this sense; but this, as well as the even more difficult question of the counter-signature of Russia's Allies, must depend upon what the chiefs of the Allied Missions consider to be the interests of the Allied Powers as a whole, upon the opportunities that they may have of discussing the question with His Majesty, and upon the consideration whether any form of pressure from outside in regard to Poland is not calculated to do more harm than good to the Polish cause. But in Poland itself such a counter-signature will have an enormous effect, and will confirm the firm belief and trust of the Poles in the Allies which existed, and still remains, though weakened, since the beginning of the war.

I think, however, that the above is a fair statement of the action that the most representative Poles in Russia consider best calculated to put the affairs of Poland on the right path.

I should add that as regards the limitation of any Russian pronouncement to the above formula, it is important to avoid raising such questions as that of personal union under one Sovereign in a concrete form, for to the ordinary Pole, a figurehead in crown and ermine robes is a symbol of independence, and, if the question is raised, the Poles themselves will be at variance, and the Germans will profit by the opportunity to nominate a puppet princeling as the so-called independent King of Poland.

There is a further project of creating amongst the Polish refugees in Russia and the Polish prisoners of Austrian and German nationality, the cadre of a Polish army, so that when peace comes there will be an effective guarantee that Poland will, so far as its own defence and administration are concerned, be able to take its place forthwith in the family of nations.

February 16, 1917.

G. R. C.

(B.)

Memorandum by Count Wielopolski, February 16, 1917.

LES partages de la Pologne, qui avaient pour but d’anéantir l’ancienne République polonaise, et dans leur conséquence de germaniser ou russifier le peuple polonais, sont une fois de plus une preuve qu’il est impossible de faire disparaître une nation qui a son passé, sa culture, sa langue. Ils ont poussé les Polonais, divisés entre les trois Puissances limitrophes, à défendre leurs intérêts nationaux soit par des soulèvements armés, soit à revendiquer leurs droits, par des voies moins risquées, nous dirons même par des tentatives plus légales. Voyant tous leurs efforts échoués, les Polonais se virent forcés à s’organiser pour la défense de leur nationalité, dans une lutte passive, mais pas moins énergique et conséquente.

Cette organisation des forces polonaises ne pourrait être empêchée ni par le système allemand, ni par celui de la Russie, et même l’administration autrichienne, plus douce et plus large que les autres, n’a pu faire abandonner aux Polonais “les rêves de leurs pères et de leurs aieux,” de se retrouver un jour tous unis dans une patrie libre. Beaucoup d’eux prévoyaient, que le jour d’un choc armé, d’une guerre entre l’Allemagne et la Russie, la question polonaise revivrait dans sa pleine amplitude.

Il faut avouer, que la Russie semblait comprendre la situation plus tôt que l’Allemagne. Nous ne voulons pas en discuter les raisons. En même temps que le tsarin appelait sous les armes les populations de toute la Russie, le Manifeste du Généralissime des Armées russes annonçait aux Polonais du monde entier la fraternité d’armes, et leur promettait: que l’heure de la résurrection de la Pologne était proche.
Entre les paroles et les faits il y avait cependant des divergences trop visibles. La politique de la bureaucratie russe ne changeait en rien dans le Royaume de Pologne ; les lois de restrictions contre tout sujet russe d'origine polonaise, de religion catholique, ne subissaient non seulement des changements, mais étaient exécutées dans l'Empire dans toute leur rigueur ; l'occupation momentanée de la Galicie était une orgie pour le bureaucrate russificateur ou l'orthodoxe guerroyant. Rien n'a pu barrière aux Polonais que la politique russe à l'égard d'eux n'était vraiment changée et que la Russie avait adopté sous ce point une nouvelle ligne de conduite.

Si nous y ajoutons encore les déclarations faites dans les Chambres législatives par de différents Ministres—Goremykine, Strumer, Sazonoff, Polkovski, Trépool—notre connaissance n'est pas un manque absolu d'une politique claire et honnête de la part du Gouvernement russe. Tantôt on dit moins, tantôt plus ; on parle d'une autonomie restreinte, d'une autonomie large, d'une Pologne libre et unie ; on revient sur ses propres paroles ; et la question polonaise reste sous un point d'interrogation non seulement pour les Polonais, mais pour les Russes eux-mêmes, pour les Alliés, pour les neutres, pour le monde entier—on pourrait dire : même pour le Ministre de demain.

Au moment où l'on s'y attendait le moins, la question polonaise prend une tournure nouvelle et nette. Déjà plusieurs fois et à différentes occasions Sa Majesté l'Empereur de Russie s'était exprimé d'une façon bienveillante et large sur l'avenir de la Pologne. Le 12 décembre 1916, dans l'ordre du jour adressé à l'armée et à la marine, les paroles impériales ne laissent plus aucun doute sur les desseins du Souverain, surtout si l'on prend encore en considération les indications que Sa Majesté a bien voulu donner au Comte Wielopolski, au cours de son audience du 23 décembre : "Une des conditions de la paix doit être la création d'une Pologne libre, formée de ses trois parties actuellement séparées." Le mot "libre" doit être interprété : "La Pologne formera un État, avec ses Chambres législatives et son armée." Cette parole est claire, ne peut et ne doit plus laisser de doute, admet pas d'équivoques.

Il nous serait impossible, dans une notice aussi brève que celle-ci, d'expliquer les différents courants politiques qui ont pu régner parmi les Polonais pendant les trente mois que dure la guerre. Quelques remarques sont cependant absolument nécessaires. La majorité de la nation polonaise s'était déclarée déjà en 1914 pour la victoire de la Russie et de l'Entente. Ce sentiment était moins dicté par une animosité plus grande de l'Allemand que du Russe, moins par une comparaison des moyens employés par les deux oppresseurs de la nation polonaise, que par un calcul froid et réfléchi. Il faut bien se rendre compte qu'en politique, tout aussi bien que sur chaque autre terrain d'action, ce ne sont ni les amitiés d'un jour ni les noms et animosités qui doivent décider, mais c'est l'intérêt seul qui doit être le facteur et le mobile d'une ligne à suivre, et ce n'est qu'alors que toute politique peut être franche et claire.

L'Allemagne victorieuse, c'était pour chaque Polonais la perte à tout jamais du Grand-Duché de Posen, de la Prusse polonaise, de la Silésie polonaise et même autrichienne, cela était en même temps l'abandon de la possibilité d'une sortie sur la mer. La réunification de ces terres pour une Pologne créée par les Allemands, même dans le cas si la Galicie y était incorporee, devenait à tout jamais impossible ; leur germanisation aurait été menée d'une façon qui ne connaît pas de scrupules. La victoire allemande peut bien créer un État-tampon polonais, un royaume entrant dans l'orbite des pays vassaux de la Prusse, même un État politiquement relativement indépendant, mais au point de vue économique ruiné, exploité par l'Allemagne—jamais elle ne peut nous donner la réunion des terres polonaises et une liberté sans restrictions.

Tout ce qui a été dit plus haut était connu par les Polonais encore avant 1914, et c'est ce qui a influencé l'attitude de la majorité de la nation ; c'est la raison pour laquelle aujourd'hui encore dans le Royaume de Pologne la plus grande partie de la population reste neutre, méfiante aux projets allemands.

Il serait, cependant, faux de croire qu'un revirement dans l'opinion polonaise n'ait pu avoir lieu. L'attitude du Gouvernement et de la bureaucratie russe, de nous avons parlé dans la première partie de notre notice ; le silence si prolongé des Alliés à l'égard de la Pologne, dicté par une prudence peut-être trop exagérée, l'isolement du Royaume de Pologne, créé par les Allemands ; la présence de nouvelles tendances, contrôlées et censurées par Berlin ; la famine et la misère, qui règnent tout aussi bien chez le riche que chez le pauvre,—tout cela peut bien influencer l'opinion publique.

D'après des données sérieuses que nous possédons, il est certain qu'aujourd'hui
encore la majorité de la nation ne s'illusionne guère sur les menées allemandes et voit clair dans son jeu. Mais peut-on laisser les Poloniens seuls sans appui lutter contre la partille de l'ennemi, le souverain du régime russe et de ses conséquences ? N'est-il pas à craindre que l'isolement et l'abandon dans lesquels on les laisse n'influent, avec le temps, l'attitude même des plus équilibrés ?

Les intérêts de la Pologne sont du côté de la Russie et de l'Entente, mais si nous nous trouvons uniquement en présence de faits contradictoires ou de promesses vagues et incertaines de ce côté-ci, on procède, du côté opposé, à la création d'un royaume, modestes mais libres, on y respecte la langue et la religion, les institutions locales, on tend à former une armée polonaise, on appelle le pays à la vie sociale et politique. Même pour ceux qui regardent les menées allemandes d'un œil critique et critique, il faut avouer que la comparaison entre les actes allemands et les promesses russes est en faveur des premiers. Pourrait-on donc s'étonner qu'un jour l'opinion publique polonaise ne se déclare pour le régime allemand, pour sauver, auprès du plus fort, les vestiges de nationalité, que le Gouvernement russe, malgré des promesses, n'a su respecter même au moment de l'abandon du pays à l'ennemi ?

L'existence de la nation polonaise, de 28,000,000 de Polonais, habitants d'une contrée fertile, industrielle, riche avant la guerre, ne peut être indifférente à l'Europe entière. Du reste, ce sont les chefs des Gouvernements français et anglais qui ont établi tout dernièrement encore que la reconstruction de la Pologne était nécessaire pour l'équilibre européen. Nous croyons que les paroles d'un Asquith et d'un Driant, appuyées par Boselli, n'ont pas seulement été envoyées au Gouvernement russe pour être entendues pas les rares Polonais qui auraient voulu s'enrôler sous les drapeaux des légionnaires, au service du Kaisier. Nous espérons que c'est par leur bonheur que l'Europe a manifesté vouloir intervenir dans la question polonaise non seulement d'une manière platonique, mais alors pourquoi garder plus longtemps un silence, qui complique la situation, et qui, interprété dans le sens qui lui donnent l'Allemagne, pourrait avoir pour conséquence fatale d'ébranler aujourd'hui l'équilibre, dont il a été question plus haut ?

Les voix qui nous parviennent du Royaume de Pologne, du Duché de Posen et même de la Galicie demandent secours et appui, elles demandent à la Russie et aux Alliés un programme clair et franc dans la question polonaise. On ne s'est tu que trop longtemps; un dicton russe dit : "Une perte de temps equivaut à la mort."

L'équilibre européen maintenu par la résurrection de la Pologne n'est pas seulement un vain mot. Nous supposons qu'après la constatation de ce fait par les plus éminents hommes politiques de l'Entente, nos paroles ne pourraient qu'avoir une modeste importance. Nous ne pouvons pas, cependant, nous empêcher de constater que dans le conflit qui se déjoue sous nos yeux il y a, d'un côté, l'Allemagne, de l'autre la Russie—deux Empires qui se disputent la possession des terres polonaises. L'objet des partages, de la communion sacrilège dont parlait Frédéric le Grand, et qui devait sceller l'amitié des deux Puissances, a revu non plus comme un fantôme, mais a pris corps et âme. La question polonaise n'occupe pas seulement l'esprit des hommes d'Etat de l'Europe, mais aussi ceux d'outre-mer. La Pologne ne peut plus devenir un objet de trafic, ses voisins ne peuvent plus se tendre la main sur sa tombe—la Pologne est devenue pour eux un être vivant. La Russie a tout intérêt à la faire revivre. Grande, unie, indépendante. Sa mission d'être le défenseur et le protecteur des Slaves ne pourrait se réaliser ni au centre de l'Europe ni sur les Balkans, si elle continuait à ignorer l'existence de la nation slave, qui, après elle, occupe, numériquement la seconde place dans le monde. L'Allemagne appelle la Pologne à la vie; elle la veut pour élargir sa domination dans l'Europe centrale, pour créer un nouveau vassal de la Prusse. L'Autriche ne compte plus depuis le jour où elle a été devenue un jouet dans les mains allemandes. L'Europe, le monde entier, qui cherche dans la liberté des nations une solution dans la crise que nous traversons, a tout intérêt à prévoir à ce que la Pologne ne devienne pas un objet de convoitises, un objet de nouvelles complications, et peut-être de guerres nouvelles. Il faut résusciter le corps d'une nation qui, même après qu'elle ait été rayée de la carte de l'Europe, a donné et donne les preuves d'une vitalité sans pareilles. La Pologne ne peut pas appartenir à l'Allemagne ni entrer dans son orbite; elle ne peut pas être une province russe—elle doit être rendue à elle-même, unie et libre.

La reconstruction d'une Pologne, des trois parties séparées dans un royaume uni et indépendant, c'eût été le programme autour duquel se rallieraient tous les Polonais, de tous les partis politiques, de toutes les classes sociales. Ce programme proclamé par la Russie, il s'entend que la Pologne aurait été dans une convention avec la Russie ;
Cette convention donnerait aux deux pays l'assurance qu'il serait impossible à l'Allemagne de continuer à l'avenir une politique d'expansion pacifique ou d'agression armée contre un des deux pays slaves. Il faut, cependant, compter encore en ceci moment avec certaines névroses, certaines craintes et surtout avec la psychologie russe. Le Russe se soumet facilement au sort, à l'imprévu même, mais il lui est difficile de faire un effort qui, même dicté par son propre intérêt, lui ferait abandonner, de son propre gré, certaines formules surannées, certaines idées qu'il s'est faites, un état de choses qui lui paraissait bon et stable. Le Russe évolue lentement, et il lui faut donner une valeur réelle aux paroles, et il faudrait que le jour où un acte de ce genre paraîtrait il y ait certaines mesures prises par le Gouvernement russe. Pour l'appui de ces paroles il faut des faits — il n'est plus le temps des promesses vagues et incertaines. Il faudrait donc :

1. Une loi (en vertu du § 87) qui abolirait à tout jamais les lois de restrictions, auxquelles sont soumis les sujets russes d'origine polonaise et de religion catholique.
2. Une décision, mettant fin à de nouvelles nominations d'employés russes, destinées à occuper des postes dans le Royaume de Pologne. (Des nominations de ce genre ont eu lieu encore tout dernièrement.) Cette même décision établirait une liquidation de la bureaucratie russe, évacuée du Royaume de Pologne et établirait la façon de remettre à l'avenir la question des affaires du royaume dans les mains des Polonais.

Ces mesures devraient être prises dans le délai le plus court, elles devraient être publiées simultanément avec l'acte dont nous venons de parler, et qui réglerait dans les lignes générales l'avenir de la Pologne.

Note. — Tout sujet russe, d'origine polonaise et de religion catholique, est privé dans l'Empire de certains droits dont jouissent les autres sujets. Il existe, en outre, certaines lois d'exception pour les mêmes personnes dans les Gouvernements de Lituanie, Podolie, Volhynie, etc. Il s'agit d'abolir ces restrictions, qui toutes ont été introduites après l'insurrection de 1863. Nous nous sommes heurtés à l'opinion que les Polonais demandent en même temps la liberté pour leur patrie et des droits à l'égal des Russes en Russie. Rien n'est plus faux. Il ne peut être question des Polonais, qui seraient les habitants indigènes de la future Pologne. L'avenir réglerait leurs droits en Russie tout comme il réglerait les droits des Russes en Pologne. Il y a cependant des territoires qui ont appartenu à l'ancienne République polonaise, territoires qui ne sont pas polonais, qui ne feront pas partie de la future Pologne. Sur ce territoire habite bon nombre de Polonais y établis depuis des siècles, y ayant leurs fortunes, leurs intérêts, qui resteront sujets russes. C'est pour eux ainsi que pour ceux qui ont émigré en Russie que nous demandons l'égalité des droits, l'abolition de toutes les restrictions introduites seulement après la dernière insurrection, et qui les priveraient, comme nous l'avons dit plus haut, de leur origine et leur religion, de la plénitude des droits civils.

Memorandum by Count Sobanski, February 15, 1917.
l'impossible afin d'exploiter à leur profit les réserves d'hommes que possède encore la Pologne, employant pour atteindre leur but tous les moyens de contrainte dont ils disposent. Soumettre la résistance des Polonais contre les pièges que leur tend l'astucieuse politique allemande est la tâche d'aujourd'hui. La Russie semble aussi l'avoir compris. Elle voit enfin l'énorme nécessité de baser les plans d'aujourd'hui sur la question polonaise, se contentant de la question polonaise, et notamment la création d'un État polonais libre, composé de ses trois parties réunies, est une des conditions du futur équilibre européen.

Cela implique une communauté d'intérêts entre la Pologne et les Puissances alliées qu'il s'agira de régler, lors du Congrès, à la satisfaction réciproque des parties. Mais, sans parler du peu de confiance qu'inspire aux Polonais l'idée que leurs intérêts puissent être défendus par la Russie au plus grave tournant de leur histoire, il est positivement à craindre que la longue dépendance dans laquelle la Pologne s'est trouvée vis-à-vis de la Russie ne diminue aux yeux de cette dernière l'importance des intérêts primordiaux du nouvel État polonais, dont elle se verrait la protectrice et le porte-voix. Les intérêts des deux pays limitrophes ne pouvant pas être toujours identiques, la Russie pourrait facilement oublier ceux de la Pologne en vue de les subordonner aux siens. C'est ici que la vigilance des Puissances allies occidentales fera bien de se tenir en éveil.

La question devenant un facteur réel d'équilibre pour l'Europe, le nouvel État polonais ne pourra se passer des conditions indispensables à son entier et solide développement, ainsi qu'à sa large expansion économique au dehors. C'est pourquoi l'un et l'autre devront lui être assurées par la Russie qu'elle se verrait la protectrice et le porte-voix. Les intérêts des deux pays limitrophes ne pouvant pas être toujours identiques, la Russie pourrait facilement oublier ceux de la Pologne en vue de les subordonner aux siens. C'est ici que la vigilance des Puissances allies occidentales fera bien de se tenir en éveil.

Ils y va donc du plus grand intérêt des Puissances d'inviter des Polonais en qualité d'experts à prendre part aux débats concernant l'arrangement futur de l'Europe, chaque fois que les intérêts vitaux de leur pays seront mis en cause.

La connaissance approfondie que seul ils possèdent de leur pays, de ses richesses naturelles, de ses ressources économiques dont ils disposent, de leurs possibilités latentes, ainsi qu'à leur large expansion économique au dehors, est-elle bien assurée par la Russie qu'elle se verrait la protectrice et le porte-voix. Les intérêts des deux pays limitrophes ne pouvant pas être toujours identiques, la Russie pourrait facilement oublier ceux de la Pologne en vue de les subordonner aux siens. C'est ici que la vigilance des Puissances allies occidentales fera bien de se tenir en éveil.

En même temps qu'en conséquence politique, le futur Congrès aura à statuer sur les frontières de la Pologne, sur la nécessité absolute de son accès à la mer, ses charges financières, ses relations commerciales. Afin de trancher et d'arrêter ces questions, on ne pourra pas se passer de l'opinion des gens connaissant à fond les faces multiples des questions à résoudre.

Aussi, n'est-il point admissible que les Alliés, combattant au nom de la liberté et du bonheur des nations opprimées, veuillent décider arbitrairement du sort d'un pays de 22,000,000 d'habitants situé au centre de l'Europe, sur la lisière même de la Russie et de l'Allemagne, et destiné de tous temps à la défense de l'orient slave contre les poussées formidables et brutales du monde germanique, d'un pays possédant 1,000 ans d'histoire ainsi qu'une ancienne et riche culture.

En considération des raisons développées plus haut, le seul fait de ne plus figurer officiellement sur la carte d'Europe depuis un siècle et demi comme État indépendant, suffit-il vraiment pour priver la Pologne du droit d'envoyer ses propres représentants au prochain Congrès, qui décidera de tout son avenir?

La difficulté du problème à résoudre consiste à trouver une forme qui, sans froisser les susceptibilités du Gouvernement russe, permette aux représentants attirés de la Pologne de prendre place à côté des délégués biélorusses, serbes et monténégrois, de manière indépendante, à la Pologne du droit d'envoyer ses propres représentants au prochain Congrès, qui décidera de tout son avenir?

Si le droit de siéger dépendait de la somme de souffrances et du degré de sacrifice vaillamment supporté dans le courant de cette guerre, certes la Pologne y aurait
conquis une première place—destinée qu'elle fut par sa situation politique et géographique à en être la plus tragique victime: son sol fut ravagé par les marches, contre-marches et les luttes acharnées des trois armées les plus formidables du monde, tandis que ses fils, combattant loyalement aux côtés des Russes, accomplissaient une œuvre d'extermination fratricide envers leurs propres compatriotes enrôlés dans les rangs ennemis.

Mais, comme il est à prévoir que les questions principales à débattre au Congrès seront discutées avant que la Pologne soit libérée du joug allemand et, par la même, avant que la nation polonaise puisse, par la voix d'un Gouvernement régulier, faire entendre sa voix devant l'archéopage des Grandes Puissances, il faudrait, pour remédier à ce mal, s'entendre avec le Gouvernement russe afin qu'il fût permis aux Polonais de choisir des délégués-experts parmi ceux d'entre leurs compatriotes établis actuellement soit en Russie, soit à l'étranger, dont le dévouement à la cause des Alliés, les qualités personnelles, ainsi que les situations responsables occupées par eux antérieurement à la guerre, seraient autant de garanties de leur bon sens politique, de leur compétence et de leur pondération. Ces conditions se trouveraient aisément chez bien des membres du Comité national polonais.

Créé à Varsovie dès le début des hostilités et composé d'hommes appartenant aux partis politiques les plus importants, d'opinions modérées, le Comité national polonais crut faire son devoir en quittant Varsovie au moment de la retraite de l'armée russe et transporta son siège à Petrograd. Il le fit afin d'avoir la possibilité de défendre les intérêts de la Pologne, tant auprès du Gouvernement russe qu'auprès des Puissances alliées, ce qui ne lui fut pas loisible en restant à Varsovie après l'occupation allemande.

Plusieurs des membres du Comité national polonais, libres de voyager en pays alliés, ont eu l'occasion d'entrer en relations directes avec les hommes d'État les plus éminents de Grande-Bretagne, de France et d'Italie. C'est eux encore qui, avec le concours d'un groupe de compatriotes sujets austro-hongrois et allemands, mais franchement hostiles aux intérêts des Empires germaniques, ont créé à Lausanne un centre d'informations et de propagandes polonaises. Enfin, le Comité national polonais s'est menagé, par la voie de la Suisse, des intelligences suivies avec les trois parties de la Pologne. Déployant de cette manière une saine activité, il a su éviter les écueils auxquels les organisations politiques de l'émigration ont rarement échappé.

Tout cela assure au Comité national polonais une autorité réelle et permet de le considérer comme le représentant d'une majorité éclairée de l'opinion politique polonaise, sans compter que parmi ses membres se trouvent tous les députés polonais aux Chambres législatives russes actuellement présents à Petrograd.

Il va sans dire que, si le moment donné, une représentation officielle de la Pologne pouvait être formée et reconnue comme telle, elle remplacerait les délégués provisoires mentionnés plus haut.

Petrograd, le 12 février, 1917.

(D.)

Notes on the State of Public Opinion among the Poles.

(Information given by Prince Matthias Radziwill.)

THE expediency of periodical visits and intercourse between the Allies is generally recognised as the condition of a well-combined action, not only of military and economical but also of moral forces.

In the present situation Poland is in all cases a factor in this action. An interchange of opinion between the Allies as regards Poland has become a necessity.

The political situation of the present hinders this work. The Allies have no direct contact with Poland, and this country is thus exposed to the influence of the Central Powers.

The influence of the Coalition reaches Poland only through the Poles actually separated from their mother-country, and officially only through the medium of Russian enunciations.

Any declaration made by Russia is powerless to inspire the least faith, all the more as it reaches Poland in the abnormal conditions now reigning in Warsaw.
It might be expedient to meet the existing needs and thus to secure the Polish asset for the benefit of the Coalition.

It will perhaps be of some interest to the English delegates now visiting Moscow, and deprived of the possibility of direct contact with Polish public opinion, to have information as regards the state of mind of the evacuated multitude which presents the only moral link between Poland and Russia.

It may be added that only we can give information up to a certain point as to the state of minds in the Polish country.

I will not enlarge on the aims of Poland. It is easy to say what must be the object of a nation of 25,000,000, fully conscious of her national existence and the history of her former State.

The Poles are not blind as to the real conditions of the present. Public opinion is mostly guided by the instinct of conservation and the dread of possible dangers, the avoidance of which is considered as a first duty.

It will perhaps throw a light on the psychology of the Poles if we enumerate the various apprehensions in the order corresponding to the degree of their gravity.

All the Poles without exception are firmly persuaded that the greatest danger threatening their national existence lies in the eventual return of Russian armed forces in their country.

Independently of even the most favourable circumstances, the aforesaid eventuality would complete the act of destruction committed during the evacuation.

Every single Pole believes that the return of Russian armed forces will deprive us of any guarantee of the fulfilment of given pledges.

This remains a positive fact, unless the Poles Russian subjects be re-established in their political, religious, and civil rights equal to the rights of the rest of the Russian citizens.

Personally I do not think the Russian Government of to-day or to-morrow will be equal to act with the broad-mindedness and clear-sightedness implied by this wise step. This unique and sincere turn in the treatment of the Poles would undoubtedly and miraculously act on the opinion of the whole Polish nation.

An impending return of the Russian army is the only thing that might drive the Poles to an act of sheer despair, and a decision contrary to the political line of action instinctively adopted by the majority.

Even the few Germanophile elements in our country, who are guided by opportunism, dread a compromise with the Germans, apprehending a consequent diminution of the state of our possessions.

The reasons of a forced compromise can only be the impending return of the Russian army or an obviously unjust delimitation of our territories.

The Poles believe in the possibility of reuniting Galicia and the kingdom, but the majority is doubtful as to the future of the lands annexed by the Germans. The political situation in Russia, the character of the nation and the dynasty, allow us to foresee the danger arising from a bond created by the eventuality of a Russian Sovereign or even the same dynasty.

In regard of the enumerated apprehensions, it would, perhaps, be expedient to find a way for the Coalition of acting directly on Polish public opinion. It would be an error lightly to lose Poland, whose defection would only be a forced act of self-preservation.

On the contrary, the Coalition might strengthen Poland by the recognition of the new kingdom, and support the work of the rebuilding of the young State advancing rapidly in Warsaw.

The Poles have found two points of contest as regards the Russians.

The first doubt arises out of the question of the east frontiers of the future Poland; the second concerns possible guarantees as to the community of political aims. The instinct of conservation and the national tradition of the Poles are a sufficient guarantee as regards the second point; touching the first, I can say the Poles pursue an honest ethnographical delimitation.

I may add that the Poles will find less difficulty to come to an agreement with the dynasty and the political parties of the Right and Extreme Left.

The Progressive party in Russia is tolerant, but nevertheless directly opposed to a definite solution of the Polish Question.

This seems to be the consequence of an Imperialistic standpoint—perhaps lacking actuality—and of an unwillingness to lose an asset in the political game pursued by the Progressists.
I take the liberty to enclose my speech to the Italian delegates as a symptom of the need we feel to formulate our standpoint towards the European States in our present Russian surroundings.

Moscow, January 29/February 11, 1917.

Enclosure 2.

M. BRATIANO came to see me yesterday evening in order to express certain views as to the future relations of Great Britain and Roumania, which he was most anxious should be present to, and borne in mind by, His Majesty's Government.

1. M. Bratiano began by alluding to the great hold which, until the war, Germany had over his country. He said that it could not be denied that the enormous progress made of recent years by Roumania was entirely due to German capital and German work; that, without outside help of a similar nature, Roumania would scarcely recover from the war, and will certainly not continue to advance as she had been doing until the present time; and his great desire was that, after the war, Great Britain should take the place of Germany. He did not say so, but what he evidently feared was that, unless British capital and British enterprise were ready to step in as soon as peace was declared, Germany would in a very short time regain her old predominant economic, and therewith political, position.

2. M. Pokrovski had shown to M. Bratiano the arrangement between the Allies and Russia in regard to the Dardanelles. M. Bratiano was a little embarrassed as to how he should deal with this communication. He had not asked for it, and M. Pokrovski had given it to him spontaneously as a result of some indifferent enquiry on a cognate matter made by M. Bratiano. The latter feared that if he took no action, and made no reservations on the subject, he might be held to have committed the Roumanian Government to a tacit acceptance of whatever conditions Russia might impose in regard to the navigation of the Dardanelles, within such limits as were somewhat loosely defined in the document that had been given to him. On the other hand, he felt rather powerless and more than a little reluctant, to attack Russia on this point single-handed at the present moment. He asked me to give him my advice as a private individual. I said that it was really rather difficult for me to do so. I believed that it was Cardinal Retz who had declared that the mark of a statesman was to be able to choose between two inconvenient courses of action, and it seemed to me that either course had its inconveniences for Roumania, but I was scarcely qualified to give an opinion of any authority as to which course the Prime Minister of Roumania should take. I could only suggest that it would be difficult for the Russian Government to argue that a copy of a document given in this manner and accepted by M. Bratiano constituted a formal recognition by the Roumanian Government of the Russian position. M. Bratiano agreed that it was difficult for me to give him any authoritative advice, but he said that he had noticed in the Constantinople Agreement that His Majesty's Government had left their desiderata very vague and subject to future definition. He had no doubt that those desiderata would of necessity include a definite and satisfactory agreement as to the navigation of the Dardanelles, inasmuch as the major part of the Danube-borne commerce was carried in British ships. He therefore begged that when this particular point came to be discussed among the Great Powers, Roumania should have a voice before any decision was arrived at. He thought that he was entitled to ask for this, since it was really a matter of life and death for the future of his country.

3. M. Bratiano desired that particular attention should be paid to the present financial position of the Roumanian Government. The loan of 40 millions granted to them on their entry into the war was now being drawn upon, but the Roumanian Government had no resources of their own; they had been driven from their country; and therefore it was inevitable that this 40 millions, which in normal circumstances would have enabled them to bear more or less the added burden of the war, would now be quite insufficient. He was therefore obliged to warn His Majesty's Government that he would have to make further demands upon the Allies for funds in order to keep Roumania in being.

4. M. Bratiano was most anxious that Great Britain should remain a member of the Danube Commission. She had the largest interest in Danube shipping, and her presence there would be an additional safeguard against any attempt on the part of Russia to choke or squeeze Danube-borne traffic.
5. Lastly, M. Bratiano stated that it would not be enough if the Allies were to win the war without further assistance from the Roumanian army. Roumania had suffered a great reverse, and she must recover her standing and prestige in the Balkans, both in order to maintain her position among her rivals and in order to renew and refresh the moral standing of her own people. He would therefore have to make serious demands on the Allies for more munitions and material of war, and he was particularly anxious that Great Britain should furnish him with a certain number of big guns. He desired this not only for the military advantage of possessing the guns but for the good effect in every way that such an act would have in Roumania.

G. R. C.

February 7, 1917.

Enclosure 3.

(Confidential.)

LORD MILNER had a long interview with M. Chelnokoff and Prince Lvoff at Moscow on the 11th February.

M. Chelnokoff, owing to his position as Mayor of Moscow, and the active and able manner in which he has fulfilled the duties of the post during the war, is one of the best-known figures in Russia to-day; and the work which Prince Lvoff has done, as President of the All Russia Zemtsvos Union, has made him universally recognised as, perhaps, the ablest organiser whom Russia possesses.

The conversation was entirely confidential on both sides, and was marked by great openness of speech. The essence of it lay in an effort on the part of the two distinguished Russians to impress upon Lord Milner that the present state of things could not possibly continue. They said that maladministration had reached such a pitch that, although in the country itself there was no real dearth of provisions, and abundance of fuel, yet parts of the country were within measurable distance of starvation. Hitherto the Government had at least provided, though after perpetual delay, the funds which enabled the Zemtsvos and Cities Unions to carry on the work which had proved of such inestimable value to the Russian army during the war. There were, however, signs that the Minister of the Interior, in his blind anxiety to destroy any and every organisation that could be held to contain the germs of a possible liberal political tendency, would try to withhold the necessary funds. To do so would literally be fatal to the Russian army, and possibly that fact might yet save the work of the Unions, but they were already meeting with every sort of difficulty and obstruction short of actual refusal to pay the money.

Another instance of the complete absence of efficiency lay in the indiscriminate way in which hundreds of thousands of men had been called up from all sorts of useful work for the army, and were now quartered, for instance, in thousands in Moscow without arms, useless, militarily speaking, for the war; while, at the same time, the shortage of labour in Moscow itself was, coupled with the lack of fuel, &c., leading to the closing of factories, and, even where factories were working, there was no labour to transport the material from and to the railways. 17,000,000 men had been called to the colours, without any sort of discrimination, more than half of them were without arms, and were left hanging about, doing nothing.

A few months ago, one word from the Emperor to his people to show that he appreciated the situation and meant to meet it would have changed all this, and would have united Russia in an enthusiastic effort to carry through the war with every ounce of energy that her people possessed, but to-day the Emperor's position as Father of his people was shaken to an extent that no Russian would have thought possible. It was not so much that he was disliked or unpopular, as that the people of Russia had grown completely indifferent to the person of their Emperor. It was typical of this feeling that now it was quite a common thing for the peasants to leave the churches when the prayers for the Emperor were being uttered.

Unless something was done to remedy the present state of things, Prince Lvoff feared that nothing could avert the revolution that was threatening. Every day the position grew more difficult, and every day the disorganisation that wanted putting in order became more pronounced, and the remedy, therefore, required to be more drastically applied. Prince Lvoff himself most earnestly hoped that it might be possible to effect some change for the better, anyhow sufficient to ensure a relatively decent administration during the war, without a revolution; but with every day his hopes grew less, and though he did not say so, he gave the impression of feeling that the presence of the Allied Mission offered perhaps the last chance of opening...
the Emperor's eyes before it was too late. The only definite suggestion that Prince Lvoff made as to the action that might be taken to this end by the Mission was that the Allies should only grant their further supplies on condition that they were used, or some of them, by organisations in which the Allies had confidence, such as the Unions presided over by himself and M. Chelnokoff respectively.

Lord Milner observed that he fully appreciated the appalling internal condition of Russia at the present moment, and the wonderful work which Prince Lvoff and M. Chelnokoff were carrying out in the face of every difficulty, and it was obviously in everybody's interest that the administration of the country should be in the hands of men of that type. But all that Lord Milner, as a statesman of another country discussing questions connected with the war with the Russian Government, could do, was to say that the Allies, who needed every penny and every ounce of war material for themselves, could not make over large quantities of both those things to Russia unless they were absolutely satisfied that the best possible use would be made of them. There was not enough money, there was not enough material, to go round, and therefore both money and material must only be used where they could and would be employed to the best possible effect. This would at least imply that Russia must to some extent put her house in order, and might give an opening for some discussion as to what the Allies required to satisfy them. Further than that the Allied Mission could not go. They were not here to discuss the internal affairs of Russia, but the conduct of the war, and it was only in so far as the conduct of the war was adversely affected by the internal conditions that the Allied representatives could even indirectly approach a political problem. But Lord Milner made it quite clear that his sympathies were entirely with Prince Lvoff and M. Chelnokoff, that he would take the opportunity of letting the Emperor know of the very favourable impression of their work which he had derived from his visit to Moscow, and he added, he would like to say, though he should not do so, that His Majesty had better make Prince Lvoff Minister of the Interior. Prince Lvoff at once said that he would not be able to take such a post, but he quite understood Lord Milner's point of view, and said that all that he and M. Chelnokoff either expected or desired was that Lord Milner should have a clear understanding of the actual position in Russia, and they were now quite satisfied that this was the case.

February 1917.
INTERNAL TRADE.

ECONOMIC RELATIONS WITH BRITISH EMPIRE.

I.—Letter from Belgian Minister in London to the Prime Minister.


I HAVE the honour to forward to your Excellency herewith a letter and a note addressed to you personally by M. le Baron de Broqueville, Minister of War, in the name of my Government, on the occasion of the Imperial Conference which is about to assemble.

I have, &c.

HYMANS.

II.—Letter from M. le Baron de Broqueville, Minister of War, to the Prime Minister.

My dear Prime Minister,

ON behalf of the Belgian Government, I have the honour of submitting to you a note concerning our future economic relations with the British Empire. It has been drawn up in view of the coming meeting of the responsible representatives of the Empire.

I appeal to your friendship, and trust you will be kind enough to read this note at one of the sittings of the Conference.

I shall not hide from you that our economic future gives us deep anxiety, both from a moral and material point of view.

I think you agree with me that it would be seriously dangerous to place Belgium in such a position as to render her future prosperity dependent as in the past upon the increasing domination of German influences. I firmly believe that it depends upon your political wisdom to bring about such Imperial decisions as shall avert from us a peril which would, doubtless, entail future dangers also for such excellent friends as you.

Is it not, also, capital for the liberty of Europe that Belgium, the barrier of yesterday, should be enabled to become the solid rampart of the future for our common independence? Only the restoration and development of our former prosperity can give us the means to organise our forces so as to profit by the cruel lessons of the last three years.
Je ne pense pas que le traitement fait par l'Empire à notre pays puisse être sérieusement revendiqué par qui que ce soit. Aucune Puissance n'a vis-à-vis de l'Empire la situation tout spéciale de la Belgique. Et ici je ne vise pas seulement la garantie d'indépendance et d'intégrité donnée par la Grande-Bretagne, mais j'envisage surtout la promesse d'appui financier et économique en vue de notre restauration, ainsi que les causes d'intérêts communs qui, il y a des siècles déjà, avaient établi des liens puissants entre nos pays. La guerre a démontré que ces causes sont plus vivantes et plus impressionnantes qu'à aucune époque de l'histoire.

L'Empire avait si bien compris cette situation que, jusqu'en 1897, il avait attribué à la Belgique un régime économique particulier.

Et cependant notre pays n'avait à offrir alors qu'un marché intérieur assez restreint; aujourd'hui l'Allemagne seule y apporte annuellement pour plus de 600,000,000 de produits.

Je demande à l'homme d'État, dont la haute clairvoyance nous frappe tous, de prendre en mains vis-à-vis des Dominions la cause de la Belgique et éventuellement de nous autoriser à continuer la conversation avec eux. Je ne parle pas ici de la Grande-Bretagne elle-même, parce que je pense qu'àuprès d'elle la Belgique doit avoir cause gagnée.

Au jour prochain de la victoire les Belges, qui n'oublient jamais ce que l'on fait pour eux, se tourneront avec une reconnaissance profonde vers les amis fidèles dont ils attendent ce que le Gouvernement du Roi à l'honneur de vous exposer.

Je vous prie, mon cher Premier Ministre, d'accueillir, avec tous mes vœux pour le succès de votre grande œuvre, les souvenirs les meilleurs de

Votre tout dévoué,

BROQUEVILLE.

I do not believe any other Power would be seriously justified in claiming from the British Empire the same treatment as Belgium. None has quite the same position as Belgium in relation to the Empire. I do not allude only to the guarantee of our independence and integrity which Great Britain has undertaken. I think more especially of the financial and economic support promised towards our restoration, and of the causes of common interest which have for so many centuries established such strong ties between our two countries. These causes have been shown by the present war to be more living and impressive now than at any other period of our history.

The British Imperial authorities had grasped this situation so clearly in the past that up to 1897 specially favourable economic conditions were extended by them to Belgium.

And yet in those days our country had to offer but a rather limited internal market; to-day Germany alone exports annually into Belgium goods to the value of over 600,000,000 francs.

I ask the statesman, whose clear-sightedness is recognised on all sides, to plead the cause of Belgium before the Dominions and eventually to authorise us to pursue negotiations with them. I mention the Dominions only, because I trust that as far as Great Britain is concerned the cause of Belgium is already won.

The Belgians, who never forget what has been done for them, will in the near approaching day of victory turn with deep gratitude towards the faithful friends to whom they now appeal with a view to obtaining those conditions which are stated by the King's Government in the annexed document.

I beg you, my dear Prime Minister, to accept my heartfelt wishes for the success of your great undertaking.

With kindest regards, &c.

BROQUEVILLE.
LA Conférence qui réunit aujourd'hui les dirigeants responsables du puissant Empire britannique est un événement d'heureux augure, auquel la Belgique tient à s'associer par l'expression de sa confiante sympathie.

Le pays, victime de la plus injuste des agressions parce qu'il s'est refusé à trahir la foi des traités envers les Puissances garanties, saisit cette circonstance solennelle pour rendre un éclatant hommage à l'Empire tout entier.

Il se rappelle sans cesse, avec une sincère gratitude, que, dans un splendide élan, toutes vos forces vives se sont dressées contre l'envahisseur de notre pays.

Vous, comme nous, vous aviez compris que de l'issue du formidable choc dépendait la liberté ou l'asservissement des peuples.

Votre attitude inébranlable, votre union inébranlable sont un des spectacles les plus grands qu'ait eu à enregistrer la vie de l'humanité.

Le Gouvernement du Roi s'incline avec respect devant votre œuvre ; il y voit le gage certain du prochain triomphe de la justice ; il y voit aussi la promesse des réparations nécessaires et de la sécurité de l'avenir.

La victoire serait sans lendemain, elle nous laisserait sous la menace de nouveaux attentats, si nous ne nous préparions, dès aujourd'hui, à fonder sur des bases économiques solides le développement et la liberté de nos peuples.

La nation belge, qui fut la première à barrer le chemin à l'envahisseur, voit successivement tarir toutes ses sources d'activité ; sa ruine est savamment préparée, grâce à une occupation dont aucun autre pays n'a connu l'effroyable durée.

Les Puissances qui garantissaient son indépendance et son intégrité lui ont promis leur assistance efficace pour sa reconstitution et son relèvement.

Aussi, nous tournons-nous, pleins d'espoirance, vers vous tous qui nous avez donné tant de gages d'amitié et de générosité pendant ces longs mois, où chacun a vu et voit s'accroître l'étendue de nos désastres matériels.

Avant la guerre, les relations commerciales et industrielles entre le Royaume-Uni et la Belgique se développaient dans une heureuse et féconde collaboration, grâce à un régime très libéral.

Au point de vue économique comme au point de vue moral, le Gouvernement a

THE Conference which to-day brings together the responsible leaders of the mighty British Empire is an event of happy augury in which Belgium desires to associate by the expression of her sympathy and confidence. 

The nation, victim of the most unjustified aggression for having refused to betray the treaties binding it to the guaranteeing Powers, avails itself of this solemn occasion to render a signal homage to the whole of the British Empire.

It constantly remembers, with sincere gratitude, that all your vital forces rose in a splendid outburst against the invader of our country.

Like us, you understood that on the result of this formidable struggle depended the liberty or the servitude of nations.

Your firm attitude, your steadfast union form one of the greatest spectacles which it has been given to humanity to behold.

The Belgian Government how respectfully before your work and see in it not only the token of coming triumph of justice, but also the promise of necessary amends and of security for the future.

Victory would be without a morrow and would leave us under the menace of new outrages if we did not, from this very day, prepare ourselves to establish on firm economic foundations the development and the liberty of our peoples.

The Belgian nation, which was the first to bar the way to the invader, beholds the gradual exhaustion of all the sources of its activity; its ruin is cunningly prepared by an occupation of which no other country has known the appalling duration.

The Powers which guaranteed its independence and integrity have promised their efficacious assistance in view of its relief and reconstitution.

We, therefore, turn hopefully towards you who, during these long months of constantly increasing material disaster, have given us so many tokens of friendship and generosity.

Before the war the commercial and industrial relations between Great Britain and Belgium, thanks to a happy and fruitful collaboration and a liberal legislation, attained a wide development.

From an economic as well as from a moral point of view, the Government have
place au premier rang de ses préoccupations d’avenir le souci d’une parfaite entente qui s’étendrait à l’Empire britannique tout entier. Il souhaite que nos pays se rapprochent davantage pour pourvoir à leurs besoins réciproques, et pour se protéger de la pénétration, si pleine de dangers, des influences et des intérêts ennemis.

En d’autres termes, la Belgique est animée d’un esprit trop pratique et trop souple pour ne pas être prêt à adopter une politique qui, facilitant, par le régime le plus libéral, les échanges entre les participants de l’entente économique, les doterait d’une protection commune en vue de les affranchir du tribut économique des importations ennemies dans des conditions favorables au développement de la richesse et des ressources de nos pays.

Étant donnée l’étendue restreinte du territoire, la force militaire et l’indépendance politique de la Belgique ont pour base essentielle la reconstitution et le développement du patrimoine national.

Le Gouvernement du Roi, gravement préoccupé de préparer et de garantir l’avenir, a l’honneur d’adresser ici un pressant appel à votre clairvoyance, à votre raison, à votre cœur.

Il émet le vœu de voir associer la Belgique, par un traitement économique libéral, à l’activité de la grande famille que constitue l’Empire britannique.

Nous aurons beaucoup à puiser dans les ressources qu’offrent les marchés de vos pays, non seulement pour relever nos ruines, mais aussi pour remplacer ce que nous fournissions naguère les Empires centraux.

La pénétration de l’Allemagne seule ne représentait-elle pas de 600 millions d’importations annuelles?

Ce n’est pas trop vous demander que de vous prie de traiter avec faveur des amis dont vous connaissez la lamentable infortune et qui attendent de votre concours l’affranchissement économique, garantie de leur sécurité !

Ainsi que le prouve le traité de 1862, l’Empire britannique a estimé, dans le passé, qu’il devait rester en relations économiques étroites avec la Belgique. Celle-ci compte que l’Empire voudra, dans l’avenir, affirmer son attachement à cette sage politique, également profitable aux deux pays.

La Belgique est ruinée, non point à cause d’un intérêt qui lui fut propre, mais parce que, à travers elle, l’agresseur voulut tenter hier, comme il le révera placed in the front rank of their future aims the realization of a perfect understanding between the whole of the British Empire and Belgium. They hope that our two countries may draw together still more closely in order to provide for their reciprocal needs and to preserve themselves from the dangerous influx of enemy influences and interests.

In other words, Belgium is animated by too practical and too supple a spirit not to be ready to adopt a policy which would facilitate by the most liberal régime exchanges between the parties to the economic agreement and would give them joint protection with the view to liberating them from the economic tribute on enemy importations, under conditions favorable to the development of the wealth and resources of our countries.

Given the limited extent of its territory, the military power and political independence of Belgium must have as an essential foundation the reconstitution and the development of the national patrimony.

The Belgian Government, being anxiously desirous to prepare and guarantee the future, have the honour to address a pressing appeal to your perspicacity, to your reason, and to your goodwill.

They express the hope that Belgium be allowed to associate herself, through a liberal economic treatment, with the activity of the whole of the British Empire.

We shall have to draw largely on its resources, not only to rebuild our ruins, but also to replace the products which were furnished to us before the war, by the Central Powers.

Did not German exports into Belgium amount annually to over 600,000,000 fr.?

It is not asking too much to request you to extend a favourable treatment to friends whose lamentable misfortune is familiar to you and who look to your assistance, in order to realise the economic freedom which is the guarantee of their security.

The treaty of 1862 proves that in the past the British Empire deemed it necessary to maintain close economic relations with Belgium. The Belgian Government trust that the British Empire will, in the future, affirm its attachment to this wise policy, equally profitable to the two countries.

Belgium has been ruined, not on her own account, but because the aggressor tried yesterday, as he may perhaps again try to-morrow, to crush, through her,
peut-être demain, d'écraser d'autres peuples dont la grandeur portait ombrage à ses ambitions.

En la traitant comme une amie fidèle et comme une collaboratrice loyale dans les activités fécondes de la paix, vous accomplirez une œuvre de sagesse et de fructueuse fraternité ; vous aurez contribué efficacement à édifier un rempart nouveau au profit de ceux qui veulent avec nous tous la paix dans le droit et la liberté.

Nous vous certifions que la nation, martyre de sa loyauté, gardera, demain comme aujourd'hui, le culte de l'honneur et de la parole donnée.

BROQUEVILLE.

By treating her as a faithful friend and as a loyal co-operator in the fruitful activities of peace, you will accomplish a wise and judicious work of fraternity; you will efficiently contribute to the upbuilding of a new bulwark in favour of all those who desire with us to live in peace and liberty.

We give you the assurance that the nation, which is now the victim of its loyalty, will continue, in the future like in the past, to be true to its honour and to its engagements.

BROQUEVILLE.
Lord Milner thinks that the attached memorandum which has been prepared for the confidential information of Home Ministers, may be of value to his colleagues in helping to explain briefly the attitude of the different political parties in the Dominions towards the question of the more permanent representation of the Dominions in Imperial Affairs.

Any of the books, pamphlets or articles named in the bibliography can be obtained at the offices of the War Cabinet.
MEMORANDUM UPON POLITICAL PARTIES IN THE DOMINIONS IN RELATION TO IMPERIAL REPRESENTATION.*

DUE attention must be given to the attitude towards Empire matters adopted by the various schools of political thought in the Oversea Dominions when considering if any suggestion for closer co-operation in policy and defence is (a) likely to prove acceptable to the assembled Oversea Delegates at the War Conference; (b) likely to form a basis for future working which may be comparatively free from Oversea parliamentary criticism.

1. NEW ZEALAND.

The Dominion of New Zealand is taken first, as it is thought most convenient to consider each Oversea nation in the order in which we may reasonably expect the best measure of support for any movement towards closer union of the Empire.

In the case of this Dominion, the War Conference will benefit by the presence of the Prime Minister and leader of the Conservative party (Mr. Massey) and of the Finance Minister and leader of the Liberal party (Sir J. Ward). After occupying the position of Prime Minister and leader of his party for many years, Sir Joseph Ward resigned in 1912, and shortly afterwards Mr. Massey became Prime Minister. In 1915, as the result of a General Election, Mr. Massey could not rely upon a majority in Parliament, but, rather than force an election in time of war, Sir Joseph Ward agreed to form with Mr. Massey a National Ministry, with an equal representation from each side, though he had a very good prospect of being returned again to power.

The views of Sir Joseph Ward on future Empire relationship are well known, and he has probably gone further than any Oversea statesman in advocating a full Empire Parliament. This he developed at the 1911 Conference, though it is to be noted that he advocated something rather different to the proposals contained in his resolution.† At the present moment, however, Sir Joseph recognises that in time of war it is not possible to establish a truly Imperial Parliament, but he considers it essential that this Conference should take effective measures to recognise the claim of the Oversea nations to a definite voice in the foreign policy of the Empire. There is every reason to expect that he would give strong support to any measures that would afford representation to the Oversea Cabinets in the War Cabinet after the present Conference is concluded, though he would wish the representation in Empire Councils to be agreed upon as permanent from the first, and not merely for the duration of the war. It can scarcely be said that Mr. Massey has devoted the same attention to the question of Empire relations, but he has frequently declared his adherence to a policy of establishing a Parliament of the Empire, and, pending that, he supports such measures as will give the Dominions an effective voice in policy.‡

It is to be observed that Colonel Sir James Allen (the New Zealand Minister of Defence, and now acting Prime Minister), who may be said to be the strongest, and, perhaps, the ablest man in Mr. Massey's party, though by no means the most popular, has often pronounced upon the necessity of a common authority to control the Empire.§

* See Bibliography dealing with the subject of "Imperial Representation" on last page of this Memorandum.
† See Cd. 5745. Imperial Conference of 1911, pp. 36-75. See also "The Britannic Question," by Richard Jebb (Longmans, Green, and Co.).
‡ See speech reported in the "Morning Post," February 10, 1917.
§ See speech before Empire Parliamentary Association reported in the "Daily Telegraph," March 12, 1917. See also speech on an Imperial Council reported in the "Times" of March 12, 1917.
In short, for the purposes of this memorandum, it may be said that the enthusiastically loyal Dominion of New Zealand will support almost any measure that will make for the closer union of the Empire, due regard, of course, being had to the preservation of local autonomy.

2. NEWFOUNDLAND.

The attitude of the oldest self-governing community is best given in the words of its Premier (Sir Edward Morris), as follows:

"The citizens of the Empire have no longer any doubt that whatever the future may evolve as to closer imperial unity, whether it be representation at Westminster or an Imperial Council, there must be a common army, a common navy, and a common defence for the whole Empire, one efficient and effective to meet all possible combinations and assaults from without." *

3. AUSTRALIAN COMMONWEALTH.

The prospect of the Australian Government being able to agree to any practical measures of Imperial Representation has been somewhat marred for the moment by the political complications arising from the Referendum Campaign on the Conscription issue.† Mr. Hughes announced his adherence to the policy of Conscription mainly by reason of the necessity of Australia meeting the demands of the Army Council at home for more men.‡ It is unnecessary to enter into the "pros" and "cons" of the method by which Mr. Hughes conducted his Conscription Campaign; it is sufficient here to say that the bulk of the Labour party in the Lower House forsook him and elected Mr. Tudor (who had resigned from his position as Minister for Trade and Customs in Mr. Hughes’s Administration) as their official leader. After the Conscription Referendum had gone against him, Mr. Hughes had only some twelve supporters out of about forty Labour representatives in the Lower House, but he remained in office through the support of Mr. Cook, the leader of the Liberal party, with whom he has lately combined in the formation of a National War Government.

As to the supporters of Mr. Tudor, there are many who have said very violent things during the Conscription campaign both against the Empire and most other institutions. To endeavour to put their attitude in a few words they stand for a living wage for every worker, including soldiers, and they are generally against closer Empire relationship by any formal methods as likely to encroach upon local autonomy, which they regard as sacred. But Mr. Hughes has expressed himself as entirely in favour of closer organic union] between the Home and Oversea nations, and he will undoubtedly have strong support from several in his present Ministry, and notably from those who should have accompanied him to England, viz.: Sir John Forrest§ (the new Treasurer) who has always held advanced views on Imperial unity, and Sir William Irvine, who was Attorney-General in Mr. Cook’s late Liberal Ministry, and is one of the strongest public men in the Commonwealth.

Though Mr. Hughes had with the Liberals a majority in the House of Representatives, he was in a minority of two in the Senate on the formation of the new War Ministry—notwithstanding Liberal support in the Upper House. One of Mr. Tudor’s supporters, however, being absent on account of illness, the retirement of another (Senator Ready), gave Mr. Hughes the opportunity of nominating one of his own adherents (Mr. Earle) to fill the vacancy. He hoped thus to secure a majority in his favour, and be able to prolong the life of the present Parliament without a General Election. Unfortunately, however, charges of corruption were made against him in relation to his efforts to get things through, and two of his supporters in the Senate refused to vote for the continuance of Parliament till the charges had been met;

* See speech in House of Representatives reported in “Daily News,” St. John’s, September 3, 1914.
‡ See Commonwealth Debates, August 30, 1916, at p. 8402.
§ The attitude adopted by the Australian Labour representatives during the private discussions last year between Home and Oversea Members of Parliament upon Lord Milner’s paper, “The Constitutional Position,” was illustrative of this.
¶ For example, see speech before the British Imperial Council of Commerce, London, on March 15, 1916. (Reported in the “Times,” March 16, 1916.)
|| See his Memorandum on an Imperial Navy which he submitted as Australian Minister of Defence to the 1902 Colonial Conference. Ot. 1299, pp. 9-14.
so the expected majority in the Upper House disappeared, with the result that a General Election will be necessary. The Conference will consequently be deprived of the proposed Australian Delegates.

Though no doubt Mr. Hughes would incur opposition from many supporters of Mr. Tudor if he agreed to any radical changes in the Constitution of the Empire, there is every reason to suppose that he would be prepared to accept such reasonable changes as ensured to Australia a more effective voice in Imperial policy.

If Mr. Andrew Fisher (the High Commissioner) is asked to represent Australia in any way at the War Conference, he will only be able to act upon instructions from Oversea. He is, however, himself in favour of close consultation with "representatives on the spot directly responsible to the Governments of the Dominions."

4. CANADA.

Sir Robert Borden is a strong supporter of the more adequate representation of the Oversea self-governing communities in the Councils of the Empire. It will be remembered that at the 1911 Conference Mr. Asquith stated, in reply to Sir Joseph Ward's proposals, that the responsibility for foreign affairs "cannot be shared." Upon this Sir Robert Borden subsequently declared—

"It has been declared in the past, and even during recent years, that the responsibility for foreign policy could not be shared by Great Britain with the Dominions. In my humble opinion adherence to such a position could have but one, and that a most disastrous, result."

At many other times Sir Robert Borden has pronounced in favour of the admission, on terms of equality, of the Oversea nations to Imperial Councils. When referring to the number of troops provided by the Oversea Dominions he spoke of the results obtained in this connection as marking "a great epoch in the history of inter-Imperial relations," and he added these pregnant words: "It is impossible to believe that the existing status so far as concerns the control of foreign policy and extra Imperial relations can remain as it is to-day."

Again, the Canadian Minister of Justice (Hon. C. Doherty) recently declared:—

"We have passed from the status of the protected colony to that of the participating nation. The protected colony was rightly voiceless; the participating nation cannot continue so."

It is, of course, well known that Sir Wilfrid Laurier (Leader of the Opposition) used the famous phrase many years ago "If you want our aid call us to your councils," but it cannot be said that he has supported hitherto any proposal that is likely to lead towards closer Imperial unity.

On the other hand, the more advanced French-Canadian Nationalists have not failed to detect the entirely illogical nature of the present position, when a Ministry responsible solely to the electors of the United Kingdom may involve the whole Empire in war. Their leader, Mr. Henri Bourassa, some years ago attacked any policy which would "draw us into distant wars, foreign to Canada, so long as the self-governing colonies of the Empire shall not enjoy with the Mother country, and upon equal footing, the sovereign power and authority." I

Generally speaking, however, it may be said that the Liberal party of Canada is not in favour of closer Imperial relationship in any scheme which would involve an Imperial Parliament, but as they have not opposed the permanent presence of a Canadian Cabinet Minister in London (as Minister of Oversea Forces and Acting-High Commissioner) it does not seem likely that they would oppose a more constant

* See Imperial Conference 1911, Cd. 5745 at p. 69. See also speech by Mr. Fisher on January 31, 1916.
† See speech of Sir Robert Borden when introducing Bill for increasing Naval Forces on December 3, 1912.
‡ Speech before Empire Parliamentary Association, July 13, 1915.
§ See his opposition to Defence Measures (1902 Conference) to Secretariat proposal (1907 Conference), to Subsidiary Conference (1907 Conference), to Standing Committee of Conference proposal (1911 Conference).
|| Speech on Naval Service Bill, 1910.
* This attitude was well outlined in a speech at the Parliamentary Conference last year by Mr. Knowles, M.P., and recently, in the Canadian House of Commons, by Mr. Rodolphe Lemieux, M.P. (ex-Liberal Minister of Marine and Fisheries), in a speech reported in the Parliamentary Debates of January 26, 1917.
consultation with a Cabinet representative on Foreign Affairs, or any measures that recognised to the full the nationality and independent position of Canada.

The position of Sir Robert Borden is a little complicated by his French-Canadian supporters. Some, at any rate, of the three French-Canadian Ministers in his Cabinet (Mr. Blondin,* Postmaster-General; Mr. Patenaude, Secretary of State; and Mr. Sevigny, Minister of Inland Revenue) have undoubtedly committed themselves before taking office to statements of an anti-Imperial character,† but though this may detract, to a certain extent, from the significance of Mr. Sevigny’s recent triumph for the Conservative cause at the Dorchester (Quebec) bye-election it need not necessarily affect the practical measures towards closer Imperial organisation to which Sir R. Borden would no doubt, be prepared to commit himself and his English and French supporters.

Indeed, throughout his public career, Sir R. Borden has shown a wide and statesmanlike grasp of Imperial matters and, provided that any steps recognise the nationhood to which Canada has grown, it may be assumed that they will have his whole-hearted support.

5. SOUTH AFRICA.

It has to be at once admitted that it is in regard to South Africa that least readiness will be found for any advance towards the closer political union of the Empire. Indeed, this can scarcely be wondered at when the recent history of the sub-Continent is considered and the fact remembered that there is a considerable portion of the Boer population which still yearns for independence. As General Smuts recently stated, there is no doubt from documents and speeches “that the object of the rebellion was independence”; but though the leader of the Nationalist party (General Hertzog) does not openly declare in favour of an independent South Africa, he would certainly bitterly oppose any scheme of closer union which put the interests of the Empire before those of South Africa, or which did not recognize the nationhood of South Africa. From the constitutional aspect there is no doubt that General Hertzog’s attitude has some logical groundwork. The following extract from one of his speeches does not materially differ from some utterances of advanced French-Canadian Nationalists:

“What was the British Empire in truth? As a body, like the German Empire, there was no such thing as a British Empire; an empire in the correct sense of the word they had not got. They had England, South Africa, Canada, Australia, New Zealand, and other Dominions. They did not stand under England, nor England under them, but they stood under the English King. They stood on an equal footing with the other Dominions, but now people spoke of the six Dominions as the British Empire, though there was no Imperial Parliament and no Imperial Government. They stood alone and each was independent of the other.”

The Leader of the Opposition in the Union Parliament (Sir Thomas Smartt) has noted with apprehension the tendency of General Botha since the last General Election to “play up” to the growing power of the Nationalists, and unquestionably it would be to the liking of some Dutch members of the present Ministry (notably Sir Jacobus de Graaff) if a combination could be formed with the Nationalists. Though the personal question between Generals Botha and Hertzog may prevent this for the present (and the victory of the South African Party at the last bye-election will, perhaps, stiffen General Botha’s attitude towards the Nationalists), there is no doubt that General Botha fears any discussions which may commit him to a scheme for an Imperial Parliament, as this would be at once attacked by the Nationalists as an Imperialist measure, involving the surrender of South African autonomy. Considerable apprehension on the part of the Union Premier was clearly disclosed in the recent confidential telegrams

* It is announced (March 21) that Mr. Blondin is enlisting in the Overseas Forces.
† See speech of Mr. Lemieux in House of Commons, January 26, 1917, which also reviews the Nationalist policy of opposition to wars outside Canadian territory.
‡ It is to be noted, however, that Mr. Sevigny’s attitude throughout the contest was one of support for the Empire; his opponent, Mr. Cannon, asked the electors if they should ruin their country for England, and had his candidature officially supported by Sir W. Laurier.
§ See speech in House of Assembly, March 3, 1915.
‡ Speech at Cradock, October 4, 1915.
¶ The Nationalist party before the election of October 1915 consisted, in the House of Assembly, of about twelve members. At the result of the election the strength rose to 27; the supporters of General Botha numbering 54, the Unionists 40, Labour 4, and Independents 4.
from the Governor-General of South Africa to the Secretary of State for the Colonies, when he indicated that the South African Government had not understood that the political relations of the Empire were to be discussed at the coming Conference, as this would be inconvenient in the absence of General Botha himself from the Conference. This attitude is not difficult to understand, as in a recent bye-election General Botha was violently attacked by the Nationalists for being, as they alleged, in favour of South Africa giving up her rights to create an Imperial Federal Parliament.

General Botha denied this "most emphatically," and claimed that he had proved most clearly at the Imperial Conference that he was not in favour of an Imperial Federal Parliament. But though a Federal Parliament may not be acceptable to the South African Ministry, it is to be noted that the object of "giving the various parts of the Empire a final say in questions of great importance such as the declaration of war" has been commended by Mr. Burton (Minister of Railways) as an honest one; while Mr. F. S. Malan (Minister of Mines, Industries, and Education) has made a far more significant declaration, indicating possibly some agreement in the Ministry for accepting a share in the direction of Empire policy, in the following words:—

"If a Council were to be formed only to discuss the questions of peace and war, the Dominions would gain, for then they would have a voice in the question of war, whereas now, if Great Britain declared war, the Dominions were at war as part of the Empire, although they had no voice in declaring war."

Thus it cannot be said that the South African Government, even with due regard to the Nationalist attitude upon the logical incompleteness of the present Empire relations, would be necessarily, or indeed probably, opposed to accepting a larger share in Empire Councils—provided that due regard were paid to the equality of South Africa's national status and the avoidance of any encroachment upon autonomous rights.

Even though General Smuts may plead at the coming Conference that he has no mandate to agree to anything respecting political relations, there is little reason to believe he would refuse to telegraph for his Government's approval if the suggestions made at the Conference for closer Imperial consultation should be based on the necessity of more intimate co-operation for war purposes. Indeed, if the proposals clearly extended a right to South Africa which she has hitherto been denied, and, moreover, had no relation to the autonomous powers of the Union Parliament, General Smuts might possibly commend them. In the light of General Botha's attitude at the 1911 Conference on the necessity of consulting the Dominions when the British Government deals with matters affecting them, it is possible that he might not be opposed to such methods of closer consultation as would be involved, for example, in sending a Dominion Cabinet representative to reside in London during the period of the war for the purposes of consultation by the War Cabinet when necessity arose.

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4 See speech at Ermelo (bye-election), reported "Weekly Cape Times," November 3, 1916. General Botha's attitude to an Imperial Parliament or Council was outlined at the Imperial Conference of 1911 (see Cd. 5745, at p. 69).
5 See speech at Ermelo, reported "Weekly Cape Times," October 27, 1916.
7 See Imperial Conference of 1911 (Cd. 5745 at p. 69).
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NOTES ON POLITICAL SITUATION.

The general condition of affairs in Russia is summed up in the description given by a Moscow gentleman, who said: "Here we have simultaneously a war on two fronts, the internal and the external, and success on one of these is in inverse proportion to success upon the other. A victory in the field brings stern reactionary measures at home, whilst on the other hand reverses at the hands of the enemy bring a corresponding measure of liberty, and the opportunity for increased activity, to the progressive forces within the nation."

The truth is that the broad aims and objects of the Allies in the war are incompatible with the ideas underlying the present system of government in Russia.

Before the war many Germans had settled in Russia. They were always German enterprising, and were foremost in the commercial and industrial activities of the country; they exerted powerful influences, especially in Court and Government circles. Unfortunately these influences still exist in many quarters, and there is no doubt that the enemy is kept constantly informed of every move and plan of operations. The result is, it is impossible to keep any information secret, and this has always to be borne in mind in dealing with the Russian authorities.

Russians may roughly be divided into three groups:

(a.) The pro-Germans, whose sympathies and interests are entirely German. These people are recruited from the Court, the Civil Service, and the business community. If they could they would end the war to-morrow. They belong to the reactionaries, and profess to believe that Russian and German interests are identical, and must always remain so.

(b.) The Nationalists, who are intensely patriotic and highly suspicious of any outside influence, with an immense belief in the future of Russia. They consider that they alone are capable of solving the problems confronting their own country. They prefer to muddle through rather than accept extraneous assistance, unless this assistance takes the form of a gift without any conditions attached to it.

In this group are to be found many military men of high rank, Ministers, officials in the Civil Service, a large number of deputies in the Duma, and many business men, especially in Moscow. These men represent the real Russia, whose great objects are to beat the enemy, to win Constantinople, and to build up a great Russian State free of all foreign entanglements.

Their hostility to the pro-German party has induced the more conservative sections of this group to form alliances with the progressive parties, which would have seemed impossible in peace time, and in this process they have become more liberal themselves.

This is the group that will have to be reckoned with in the future, and whose confidence it is our duty to win.

(c.) The pro-Ally group, who profess great admiration for our institutions, and are frankly democratic and progressive. They would welcome our group collaboration and advice, and are willing to be taught the wisdom of the West. This group has a following in the Duma, the Universities, and among business men. They declare themselves to be quite ready to see the Allies running the country, and they appear to believe that we can do this in some mysterious way which they do not explain.

The great mass of the population is inarticulate; they desire to win the war, but The one of their chief concerns is to obtain a larger share of the land and to change the peasants. [425]
present system of land tenure. Land reforms on a large scale were introduced after the revolution of 1905; since then agricultural co-operation has made rapid strides under the fostering care of the Zemstvos or County Councils, who have created Agricultural Credit Banks and Co-operative Societies in many parts of the country. There appears, however, still to be a growing demand amongst the peasants for a wider distribution of land, and this may bring about greater changes in the social and economic conditions in the country after the war when the soldiers return to their homes.

A shortage of food and fuel adds to the general discontent of the lower classes. This shortage is due to—

1. The lack of facilities for transportation.
2. The foolish regulations prohibiting the sale of goods from one province to another.
3. The fixing of maximum prices, which encourage the peasants to hoard their produce.

If there is no amelioration before next winter, the state of affairs will become desperate, and the internal conditions of the country may make it impossible to carry on the war. The supplies of food and fuel are more than sufficient to meet the needs of the people; the trouble is that while some provinces are on the verge of famine, in others there is a superabundance of agricultural produce, and food is actually being destroyed. The problem is simply one of distribution and organisation—it is the task of organising the man-power and resources of the nation for war. No great man has up till now, appeared on the scene who can shoulder this stupendous undertaking supported by the confidence of the Duma and the nation.

The Duma and Zemstvos have increased their influence enormously, and appear to have won the confidence of the Army and of all the groups alluded to above, with the exception of the pro-German and the Court party. The Zemstvos stepped into the breach during the crisis of 1915, when it was suddenly discovered that the Army was lacking in equipment and ammunition. Their services at that time were eagerly enlisted by the bureaucracy. But, when the danger point was passed, and Broussiloff's victories restored the prestige of the Army, every attempt was made by the Government to relegate to them their old position, and every obstacle was placed in the way of further developing their usefulness. The advent to power of M. Protopopof, who previously had been a prominent member of the Duma, instead of conciliating the progressive forces, evoked a fresh outburst, and widened the breach between the representative body and the Court party. When the Duma meets it will probably refuse to authorise the necessary credits for the Ministry of the Interior; it will refuse to sanction the large increases necessary for the maintenance of the police which Protopopof has heavily reinforced. Thus it is hoped a definite issue will be raised on a question of policy involving an increase of taxation. If the Duma refuses to agree to any compromise, the Government will be forced either to get rid of Protopopof or to dissolve the Duma, and the conflict with the Court party will be intensified. The arrest of the representatives of the workmen on the War Trade Committee has added fuel to the fire, and it is impossible to forecast what may happen. It is true that the old revolutionary societies, the Nihilists and the Anarchists, no longer exist, and it is not believed that a popular rising would have any chance of success. What may happen is a Palace Revolution, ending in the removal of the Emperor and Empress. The fact that the Army now sides with the Duma, that even the loyalty of the Guard Regiment cannot be relied upon, that the Emperor and Empress are most unpopular, that the Emperor is, rightly or wrongly, regarded as an agent of the German Government, all point in the direction of some move of this kind, and it is probable that a fait accompli will be accepted quietly by the country. All will then depend upon the new arrangements, and whether a wise progressive policy will be substituted for one of repression.

Bribery is still rampant in Russia; some avenues of corruption are closed, but new ones have been discovered and prices have risen, partly from the extra risks of detection in war time, and partly owing to increased costs of living. It is admitted that bribery forms a part of the Government system; it is not regarded as immoral. The pay of all officials is so slender and inadequate that it is impossible for them to live at all if they do not resort to illicit means of augmenting their incomes. The official salary of the Chief of Police in Petrograd barely covers the rent of his house and yet he is expected to maintain a large staff of officials and servants. While cerai
goods are still being imported into Russia from enemy countries, it is just as certain that sums of money are being paid by German agents to Government officials. Probably this was done in the case of the Murman Railway, where the conflicting interests of the Archangel railway and port, assisted by German money, contrived to prevent the construction of an efficient railway to Kola. The only effective method of combating this system is to go one better, to offer inducements to the officials concerned to work whole-heartedly on the side of the Allies, and to pay them accordingly upon the satisfactory results which they achieve. When millions of money are being spent and the success of military operations is involved, a few hundreds of thousands of pounds may well be expended in this way to ensure that our efforts are not being stultified. It is the duty of our Government to see that our agents are amply provided with the requisite funds. More care should also be displayed in the bestowal of honours. For instance, in the case of the Murman Railway, the ex-Minister of Ways and Communications and the engineer-in-chief of the railway have been awarded British decorations for their supposed activities on our behalf. The fact that the railway has not been able to discharge its functions properly has apparently been overlooked, whereas if these gentlemen had been awarded honours on the basis of results, the decorations should not have been given until the capacity of the railway had been tested. There appears to be little co-operation or dissemination of information between the different Departments of State. With a nonentity as Prime Minister, who enjoys the confidence of no party or group, this is not surprising. It does not appear that this evil will be remedied until some system of responsible government comes into being. The lack of co-operation among the Departments renders the task of our representatives much more difficult.

The policy of the Allies should be as follows:

1. To endeavour to persuade the Empress by all possible means to leave Russia and to remain as a guest in one of the Allied countries until the conclusion of the war.
2. To watch closely the course of events and be ready to make proposals for the carrying on of the Government if a revolution takes place.
3. To keep in closest touch with the leaders of the Duma and the Zemstvos, in order to win their confidence and direct their activities into the proper channels.
4. Under the present régime to insist as far as possible upon security of tenure in office of capable and loyal Ministers, who proved their devotion to the cause of the Allies.
5. To conciliate the present Government officials, and to spend money when necessary to enlist their active co-operation in the carrying on of the war.

Transportation.

This is the most urgent problem of all. The success of military operations, the manufacture of munitions, and the feeding of the army and the civil population depend upon the efficiency of the railway and transport services, and no effort on our part should be spared to render all the assistance within our power to improve the existing state of communication in Russia. This subject has been dealt with fully in Mr. Bury's report, but there are one or two points which need to be emphasised.

The report on the railway requirements of the country may be conveniently grouped under three headings:

1. The army.
2. The civil population.
3. Munitions and trade (including exports).

Military Requirements.

The present Russian front stretches from the Baltic to the Black Sea over a distance of about 800 miles. A large number of waggons and locomotives have to be kept in reserve in order that bodies of troops may be moved at short notice to any sector of this long front which may be threatened by the enemy, or to concentrate troops for an attack at a certain point or points. A constant stream of waggons are employed in bringing up supplies of food and ammunition for the army. But after making ample provision for the strategic and commissariat needs of the army, it is
stated that a large amount of rolling-stock is improperly used for other subsidiary purposes, such as the housing of soldiers and the storing of supplies. It is also asserted that the strategic reserve of rolling-stock is far in excess of military requirements, and that some of the railways are so congested with waggons that at times they cannot be used at all. Attempts are being made to induce the military authorities to state their maximum requirements for strategic purposes.

Civilian Requirements.

The civilian population, especially in the towns, has to be supplied with fuel and food. Rolling-stock for this purpose is supposed to be doled out by Commissions appointed in different parts of the country. The method of allocation adopted by these bodies is slow and cumbersome, with the result that thousands of waggons are often held up at various points waiting to be distributed. Sometimes they are delayed in this way for weeks and months. The decision of the Commissions as to the class of goods for which transport permits are to be issued are often circumvented by corrupt means. Railway officials of all grades are bribed to supply waggons to private firms and individuals, with the result that—as it is no one’s business to offer bribes on behalf of the Government—munitions and Government material remain stationary for long periods, whilst goods belonging to individuals are forwarded without delay.

It would appear that the only way to overcome this difficulty is to pay the railway officials a bonus for the rapid transit of all Government material; in short, to make the interest of these gentlemen coincide with the interests of the Government and of the Allies.

Food and fuel are absolutely necessary for the civilian population, but at present a large number of waggons are used for conveying other materials which are non-essential for the conduct of the war. The Government have been urged to take steps to prevent this. Similarly passenger trains should be reduced to a minimum, and the fares, which have always been low in Russia, should be raised. The Ministry have already made tentative efforts in this direction. During one week the passenger service was drastically curtailed, with a corresponding improvement in the goods-traffic. The Government has been urged to extend this programme. Another means of expediting the transportation of food and fuel lies in the exploitation of the water-ways. Russia possesses many navigable rivers, such as the Volga, the Dniester, and the Dwina. River transportation is capable of great development, provided a sufficient number of barges are constructed immediately, and the points of transhipment are equipped with the necessary machinery for handling the traffic. The Government has been urged to utilise the water-ways during the coming summer, and thus to accumulate large stocks of supplies at the most important centres, which can then be distributed during the ensuing winter.

Munitions and Trade Requirements.

Two distinct points arise in connection with this subject:—

1. The transportation of the supplies of fuel and metals to the munition factories in Russia.
2. The forwarding of munitions arriving at the ports from abroad to the centres of distribution and to the front.

The majority of Russian munition factories are located in the large centres of population, like Moscow and Petrograd. On the other hand, coal and iron are produced in the south, in the Donietz region; and metals in Eastern Russia and Siberia. This involves the haulage of the raw material over many hundreds of miles before it arrives at the factories. Before the war, Northern and Western Russia derived their coal supply from Poland, England, and Germany. As these sources have now been cut off, with the exception of cargoes landed at Archangel, Southern Russia has been called upon to make good the deficiency, involving an increased strain upon the slender resources of labour at the mines and to a greater extent on the capacity of the railways; consequently some of the munition factories are threatened with a fuel and metal famine, which is likely to reduce their output of shells and munitions, unless an improvement in the labour supply for the mines and the better organisation of the railways is effected.

It is a matter for regret that the new munition factories have not been erected in
the coal and iron regions of Southern Russia, thus reducing the necessity for the transportation of raw materials over long distances. At Moscow a new factory had just been completed, fully equipped with the most modern shell-producing plant, which we were told was intended to be used for the manufacture of textile goods at the conclusion of the war, and apparently the factory for this reason had been located at Moscow instead of being in close proximity to the supply of fuel and raw materials.

Russian Ports.

The Russian ports at present available for the importation of munitions are: Vladivostock, Archangel, Kola, Kem, and the Finnish ports on the Gulf of Bothnia, where non-contraband cargoes shipped via Norway and Sweden are handed over to the Finnish Railways.

Vladivostock—The total annual capacity of this port is estimated at about 500,000 tons. The Siberian Trunk Railway has its terminus at Vladivostock, and, owing to the lack of rolling-stock, the amount of material despatched by the railway has steadily decreased, with the result that a large accumulation of supplies of all descriptions, estimated at from 400,000 to 500,000 tons, is now dumped at the port. Storage accommodation is inadequate to deal with the congestion, and large quantities of material are left lying about in the open, and must deteriorate in consequence. It is calculated that at least nine months must elapse before this accumulation can be despatched by rail at the present rate of transportation.

It is suggested that in future the imports for Vladivostock should be limited to railway material, and that new rolling-stock ordered from America should be assembled here and despatched to Russia fully loaded.

It has been suggested to the Russians that the port of Dalny, which is the terminus of the South Manchurian Railway, might be used to supplement Vladivostock until the congestion has been relieved. Dalny is under the control of Japan—it is an excellent port—and has considerable storage accommodation. The South Manchurian Railway, which links it with the Siberian system at Harbin, has a different gauge from the Russian railways. The Japanese may have some method of altering their rolling-stock to enable it to be used over the Siberian railways, and a third line could easily be laid to allow Russian rolling-stock to run through into Dalny. If both these suggestions are impracticable, then traffic destined for Russia would have to be transhipped at Harbin junction. It is worth while considering how far it may be possible to use Dalny and Vladivostock for exporting agricultural produce from Siberia to England and France.

Archangel.—This port can only be used during the summer and autumn months, normally it is open for traffic from the 1st June to the 1st November, about 150 days. Last year it was possible with ice-breakers to keep the channel open until January, this was quite exceptional, and cannot be relied on, and navigation after November is precarious. There are at present fifty-two berths, which it is expected to increase to seventy-two this summer. The new berths will not be in working order for some time after the navigation season opens, and cannot, therefore, be fully reckoned on. Each berth on an average is capable of unloading or loading about 300 tons daily. The amount of tonnage necessarily varies according to the bulk and weight of the material which is being handled. It is difficult to form any reliable estimate of the traffic which can be dealt with this year.

So much depends upon unknown factors, such as the available supplies of machinery, labour, and fuel, immunity from explosions, which in the past has brought the activities of the port to a complete standstill and has prejudiced the efficiency of the workmen, and weather conditions. But apart from accidents, it is predicted that the daily capacity of the port for imports and exports is about 21,000 tons; which is equivalent to a total of about 3,200,000 tons for the navigating season.

The port is served by railway and river transport, and it is anticipated that the export of corn, linen, and the imports of coal can be conveyed up the River Dwina in barges. There is a considerable amount of storage accommodation, and it is possible to deal with any accumulations which may arise during the winter months when navigation is stopped, but the railway can still be used.

There are large saw-mills at Archangel, which have their own berths for shipping lumber.

Kola or Roumanoff.—This is the only ice-free port in Northern Russia. Navigation can go on uninterruptedly all the year round, and provided that the Murman Railway is properly constructed, the place should become one of the most important
ports in the Empire. Ships of almost any size can steam up the inlet, and there is splendid anchorage in the harbour. At present there are only four berths, with a daily unloading capacity of about 1,500 tons. It is expected to complete two more berths in the course of the next two months, provided the material can be shipped from Archangel.

The storage capacity is inadequate, and some of the sheds are at present being used by the Russian naval authorities for the storage of meat. Additional storage is urgently required here, as there is almost certain to be congestion, and material stacked in the snow on the shore is bound to deteriorate.

The Russian estimate of the amount of traffic which can be carried over the Murman Railway has been most misleading up to the present. It is estimated that during the next two months there will be an improvement, and that it will be possible to forward about 600 tons daily from the port over the railway. Judging from the inaccuracy of previous forecasts this figure is not likely to be realised. At the end of two months, or about the middle of May, when the thaw comes, the railway will be entirely closed for traffic, and the whole of the summer will have to be devoted exclusively to the reconstruction and repair of the line, so that it may be capable of working next autumn. Although there are natural difficulties in the shape of bogs and morasses which have to be crossed, none of these are insuperable, and as there are no mountains to cross there are no steep gradients or sharp curves, and there is an abundance of timber. With all these advantages it is a cheap road both to construct and to run. If it had been properly constructed one locomotive would be able to haul from 400 to 500 tons, or from 40 to 60 wagons. In its existing condition the maximum capacity of an engine is only about 140 to 160 tons, or from 14 to 16 wagons. It would therefore appear that when the railway becomes closed a large amount of munitions will be left lying at Kola, and the only possible means of transporting it to the front will be to tranship it to Archangel. It is suggested that it may be possible to a limited extent to do this by means of the ice-breakers, even before the navigation season commences; but it is doubtful whether this operation is practicable.

To avoid further congestion at Kola it is imperative that no more munitions should be sent to the port until the present stock has been distributed by the railway. Tonnage has been, and still is being, held up there for weeks and sometimes for months. Congestion must be avoided, otherwise the place will become a second Vladivostock, and munitions urgently needed elsewhere will be left to deteriorate in the snow. The tonnage despatched from England and France should be regulated according to the stock of munitions still waiting to be sent out from the port, and daily records of the amounts unloaded from the ships, despatched by train, and in storage should be sent to the authorities at home through the director of transport at Petrograd.

Unless a great improvement takes place immediately there is no certainty that the present accumulation will be removed before May, after which the railway will be closed. Urgent representations have been made to the Russian Government, and the essential point now is to ensure that the railway and wharf shall be properly reconstructed before Archangel closes for navigation this year; and that the arrival of fresh cargoes is regulated by the amount despatched over the railway. At present there are no exports from this port, consequently vessels have to sail home with or without ballast. Recently it was stated that no material of any kind was available, and coal was put on board to serve this purpose which had only just been shipped out from England. It appears that this had previously been done at Archangel. If the railway was put into proper order, and supplied with sufficient rolling-stock—of which it is now sadly lacking—there is no reason why grain from Southern Russia and Siberia should not be shipped here.

The port of Kem is also served by the Murman Railway. It lies on the shore of the White Sea, about midway between Kandalaksha and Petrozavodosk. At present it has six berths, which may be increased this summer to fifteen. The daily capacity of unloading at the port is estimated at about 3,000 tons. It is proposed to use it this summer for the import of coal, and it is hoped that the railway south of Kem will be able to deal with the traffic, but this is also very uncertain, as the line up to Petrozavodosk has only recently been constructed.

Labour.

The labour at present available for these ports is inadequate and inefficient. Many wounded soldiers are employed, who are compelled to work at army rates.
alongside civilians who earn good wages. Owing to the shortage of food and bad accommodation, it is difficult to induce civilians to sign on for dock labour. Finnish workmen are not encouraged, although they are good artisans and work hard. On the railway a great many prisoners and some Chinese are employed. The Russian Government has been pressed to employ military labour at all the ports, but up to the present they have declined to accede to this proposal.

Exports.

The principal exports are wheat, flax, and timber. The Allies have been promised 500,000 tons of wheat by the Russian Government, to be shipped before November. This amount is to be purchased in the following localities: the Crimea, the Caucasus, Siberia, Samara, and South-West Russia in the Kiev region. It is to be transhipped from Archangel, arriving there by various routes—both by rail and by river transport—which involves in some cases four or five trans-shipments. It will be impossible to count on the total amount being delivered before the 1st November at the earliest. There has been considerable difficulty in finding a sufficient quantity of sacks. As the grain has to be man-handled so many times, and there are at present no elevators or machinery for loading it on board the vessels at Archangel, this is a serious drawback. Flax, to the amount of 100,000 tons, and timber are also to be exported from Archangel this summer.

The estimated total capacity for exports and imports for all the ports is therefore as follows:

<table>
<thead>
<tr>
<th>Port</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Archangel</td>
<td>3,200,000</td>
</tr>
<tr>
<td>Kola</td>
<td>120,000</td>
</tr>
<tr>
<td>Vladivostock</td>
<td>500,000</td>
</tr>
<tr>
<td>Kem</td>
<td>500,000</td>
</tr>
<tr>
<td>Estimated grand total</td>
<td>(about) 4,200,000</td>
</tr>
</tbody>
</table>

Explosions.

The explosions at Archangel have shown the need for care in the handling of materials, many of which are of a highly explosive and dangerous character. Precautionary measures should be insisted on at all the ports.

1. A stricter surveillance of the civilian population.
2. The distribution of the storage and sorting accommodation at a suitable distance, so that if there is an explosion at one point it may not be able to spread to others.

Railway Adviser.

The function of Mr. Bury and his staff, whose business it is to advise the officers who manage the railways, is solely advisory, and he has already sent in a report proposing certain reforms which will in his opinion increase the amount of available rolling-stock, hasten repairs and, if carried out, increase the capacity of all the railway systems in Russia. To be successful he will have to feel his way with caution and tact. His experience on the Canadian Pacific Railway has given him an inside knowledge of the special difficulties which are encountered in Russia; hence the speed with which he has been able to take in the situation and make certain proposals. This has astonished the Russians, who cannot understand how a man who has only been in the country a few weeks can diagnose the weak spot in the present system and make proposals as to how a remedy should be applied.

Mr. Bury's plan is to put forward his proposals, to persuade the Russians to agree to carry them out, and to make it worth their while to do so. He will stand by to make further suggestions, and to test the results obtained; otherwise he does not intend to take over any executive duties. When he returns to Canada he will find a first-rate substitute to take his place. He is very anxious that we should make a great effort to send out some locomotives, however few, to Russia, as an indication of our good faith. The mere fact, he thinks, that we have made an effort to assist them in this way will appeal to them immensely, and will help him to get his programme through.

Mr. Bury has formed a favourable opinion of M. Kriger, the Minister of Ways and Communications. He is a practical railway man, and Mr. Bury thinks we should spare no effort to keep him at his post.
He also thinks that the British transport personnel ought to be properly organised under one responsible head; that all the information as to transport, the amount of imports and exports, the tonnage actually unloaded and loaded at the ports daily by rail or water transport, the amount lying in storage, and the amount still to be unloaded should all be available and at the disposal of a Director of Transport at Petrograd; that the officer would be in the closest touch with the position at the ports, and would maintain a proper check on the movements of munition supplies. When blockages or congestion occurred, the matter could be brought at once to the notice of the heads of the Russian Departments, and pressure exercised to have things put right.

**Russian Demands.**

Russian demands amount to 13,000,000 tons of munitions of all kinds, including guns, ammunition, aeroplanes, supplies of metals, raw materials, and other requirements for the carrying on of the war.

The maximum capacity of the ports for imports and exports was stated to be about 12,000,000 tons, but, on going carefully into these figures, it was proved that 4,250,000 tons was an optimistic estimate of the amount of material that could be handled this year. The tonnage was allotted as follows:

<table>
<thead>
<tr>
<th>Items</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artillery, including aeroplanes</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Railway material</td>
<td>(about) 700,000</td>
</tr>
<tr>
<td>Coal</td>
<td>4,500,000</td>
</tr>
<tr>
<td>Supplies for Roumania</td>
<td>120,000</td>
</tr>
<tr>
<td>Naval and other requirements</td>
<td>340,000</td>
</tr>
<tr>
<td>Metals</td>
<td>280,000</td>
</tr>
<tr>
<td>Wire</td>
<td>110,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,250,000</td>
</tr>
</tbody>
</table>

In addition to the artillery already promised, we have undertaken to supply the Russian Government with 4 batteries of 6-inch howitzers, 2 batteries of 8-inch, and 1 battery of 9.2-inch per month, commencing on the 1st June; and also with a maximum of 500 aeroplanes, together with 50 Stokes and 50—2-inch trench mortars. Undoubtedly there is a shortage of metal and raw material required for the production of shells and munitions in the Russian factories, and this state of affairs has produced a demand from the Government to be supplied by the Allies with huge quantities of steel, copper, and other metals. There does not seem to be a sufficient reason why these demands should be granted. It is admitted that Russia possesses enormous quantities of undeveloped minerals, and that her mines at present are not working to their full capacity. There are large stocks of scrap and privately owned material which should be utilised for war purposes.

There appears to be a shortage of blast furnaces for the production of steel, but the main causes for the deficiency are:

1. The disorganisation and shortage of labour.
2. The lack of railway and water transport.
3. The unwillingness of the Government to commandeer private supplies.

Consequently, the real remedy lies with the Russian Government, who should be induced to mobilise industry, to utilise all its existing sources of supply, and to extract the maximum utility from their transport services. To satisfy their demands at the expense of our own production is to curtail the scope of our own military operations, to employ our tonnage, and at the same time to bolster up the inefficient methods of our Ally—to still further congest our ports without any guarantee that the material we supply will be efficiently or economically used. For these reasons, with the exception of coal, I would deprecate sending to Russia any large quantities of raw material for the production of munitions.

It is a question whether the number of trench mortars it is proposed to send is adequate in view of the importance of providing a sufficient number on the Russian front. It is hoped that the Russians will be able to manufacture trench mortars in large quantities, but it seems to be extremely doubtful whether, under the slow procedure and the delays which prevail in Russia, their manufacturers will be able to provide trench mortars in any large quantities for military operations this year. It will probably be found that trench mortars can be used to great advantage on the Russian front on account of their portability. Up till now their utility has not been
recognised, because the personnel of the Russian trench-mortar batteries have not been sufficiently trained in their use. The heavy type of trench mortar with which they have been supplied did not prove so satisfactory as the 2-inch or Stokes.

It is suggested, therefore, that efforts should be made to provide a much larger number of trench mortars, and at the same time to urge the Russian authorities to increase their own output at home.

**Personal.**

The organisation of our personnel in connection with Russian undertakings is very important. When so many different Departments of State are involved, it is essential that there should be no overlapping, and that every official should know what his own job consists of, and that there should be one directing authority to delimit the various spheres of work in case of any question arising. It is also essential that, so far as possible, every Englishman who is employed in Russia should be able to speak Russian, otherwise he often becomes worse than useless—he is constantly being imposed upon; in any case, he should be able to talk French. It was stated on good authority that this rule does not apply in many cases, especially as regards naval officers. It is perfectly obvious that we cannot expect the Russians to pay attention to our demands if they are being harassed by a crowd of officers who cannot speak Russian, and who have no clearly defined duties.

At present the following British personnel appear to be engaged on work of one kind or another:

1. **The Embassy,** subdivided as follows:

   (1.) **Diplomatic Section,** under Sir George Buchanan, our Ambassador at Petrograd.

   (2.) **The Military Attaches,** Colonel Knox, Colonel Blair, and Major Thornton, who are responsible for the despatch of all military intelligence and for keeping the War Office in close touch with the military authorities in Russia, and especially with the armies in the field. Up to now, part of this work, i.e., the distribution of enemy forces, has been done by the War Intelligence Bureau, under Lieutenant-Colonel Sir S. Hoare. General Sir Henry Wilson has made a proposal that in future all the military intelligence work should be done through Colonel Knox and his staff; on the other hand, that the duties which Colonel Knox has hitherto carried out with regard to the supply of munitions for Russia should be transferred to an officer under the supervision of General Poole. This arrangement will prevent any overlapping and will clearly define the sphere of operations of these officers respectively.

   (3.) **The Naval Attaches,** who are responsible for all naval intelligence and for maintaining the closest relations between the Russian and British naval authorities.

   (4.) **The War Trade Intelligence Bureau,** at present installed in the Russian War Office, under Lieutenant-Colonel Sir S. Hoare. This section has hitherto been responsible for:

      (a.) The collection of information and intelligence regarding the economic and trade conditions of Russia;

      (b.) Matters relating to espionage, the granting of passports, &c.; and

      (c.) Military intelligence regarding the distribution of enemy forces in the field, which it is now proposed to hand over to Colonel Knox.

   (5.) **The British Propaganda Bureau,** under Mr. Harold Williams, whose duties consist in providing information for the Russian press regarding the activities of the Allies, and especially of Great Britain. Mr. Williams derives his material from a special branch of the Foreign Office created for this purpose, and clearly his activities come under the supervision of the Embassy.

2. **The Admiralty Staff,** which consists of:

   (1.) Commodore Kemp, who is described as the Director of the Naval Defence of the White Sea. This officer is stationed at Archangel, and apparently does not confine his activities to the duties which have been entrusted to him, but has also assumed the supervision of the naval transport arrangements at Archangel, and has consequently developed unpleasant relations with—

   [425]
(2.) Captain Bevan, who is described as the Naval Transport Officer for the port of Archangel. This officer has under his control, during the navigation season, a large staff of about twenty-five naval officers who are charged with expediting the unloading of vessels at the port, and with keeping the Admiralty informed as to these operations. It appears that almost all these officers are unable to speak Russian, consequently their efficiency is greatly impaired.

(3.) The naval transport officers at Kola, Vladivostock, and later on at Kem; also a senior officer at Kola, who is in command of H.M.S. "Glory."

3. Proposed Staff of General Poole.

General Poole's staff will include the following:

(1.) Artillery Liaison Officers attached to the Russian armies in the field, who will be responsible for giving advice on all questions relating to artillery operations. He will also advise as to the formation of schools of instruction for officers and non-commissioned officers of artillery and trench mortar units behind the lines.

(2.) Liaison Officers attached to the different centres where batteries are assembled prior to their despatch to the front, such as Moscow and Tzarsho. It will be the duty of these officers to arrange for the formation of the Russian personnel to man the batteries immediately on their arrival, to assemble these batteries, and to expedite their departure to the front. They will be advised of all material which is forwarded to these centres from the ports, and will be able to notify General Poole of delays in delivery at the centres of assembly.

(3.) Military Transport Officers at each of the ports, under a senior officer stationed at Petrograd. It would be their duty to expedite the forwarding of artillery, aeroplanes, and munitions from the ports to the points of assembly or to any other destination. They will also be charged with the collection of information regarding the daily shipments of material from the ports, and, in conjunction with the Russian officers, for supervising the loading arrangements of the wagons.

(4.) A Munitions Officer, stationed at Petrograd, whose duty it will be to give advice regarding the manufacture of shells and other munitions in Russia, and who will also advise the authorities at home as to the available supply of raw material existing in Russia, and the amount, if any, which should be sent to them by the Allies.

(5.) An Officer in charge of Aeroplanes, who will be stationed at Moscow, where an aviation ground and sheds have been allotted to him. He will be responsible for receiving all British aeroplanes sent to Russia, assembling the planes, testing their capacity, and finally despatching them in squadrons to the front.

It is proposed that all these officers shall come directly under the supervision of General Poole, who will have direct access to the higher authorities on behalf of one or all of them.

It will be seen from the above that two sets of officers, one naval and one military, are concerned with the questions affecting transport; the former with the shipping and unloading arrangements up to the point where the material is landed at high-water mark, the other with the railway arrangements and inland transport. The Russian officials have consequently to deal with two sets of officers, all of whom are engaged with expediting the passage of munitions. Whether they happen to be naval or military officers they are all concerned with the same problem, that of supervising the transport of material from its point of origin to its ultimate destination on the Russian front. The French and British Governments, who have to decide the military policy for the conduct of the war, and have to further decide on what front the munitions can best be utilised against the common enemy, are interested to know that the munitions they send to Russia have actually arrived on the scene of operations. It does not matter to them whether these supplies are held up at Archangel, Moscow, or any other intervening point. Consequently the transport officer under General Poole should be responsible for all information regarding the movement of supplies from the date of the despatch from England or France until they eventually arrive at their destination on the Russian front. It would further be the duty of this officer to keep all the Departments concerned fully posted regarding the movements of all material and to urge the Russian authorities to expedite the transportation when cases of congestion or delay occur. It would therefore appear desirable that all the naval and military officers engaged at the ports, and at any other points, should be under the direct supervision of a Director of Transport stationed at Petrograd, who would
he attached to General Poole's staff. Further, that this officer should be the medium for information to all departments at home. He would be in a position to supply them with daily returns as to the movements of the supplies, which would enable them to regulate the despatch of vessels to Russian ports.

In this connection the question of priority also arises. It will often be the case that certain kinds of munitions are urgently required for a particular military operation. General Poole, having access to the military chiefs both at the ports and in the field, will be able to ascertain their wishes in regard to this matter. He will then be able through the Transport Officer to convey this information to the proper authorities, both at home and at the Russian ports. Up to now the question of priority, in so far as it has been dealt with, has been settled by the Russian Committee at Canada House, who apparently were not in a position to know what the pressing requirements were.

It is also suggested that the shipment of exports from the Russian ports should also be dealt with by the Director of Transport, in closest co-operation with the French officials, who have been charged with the duty of collecting supplies from the Russian Government. The problem of the import of munitions and the export of supplies is so closely connected that it is essential they should be dealt with by the same department in order to avoid friction at the ports.

**Conclusion.**

There is no doubt that the mission has done much good, and that it has brought the two countries into a closer alliance, and promoted a better understanding between the Allies. Discussion helped to clear away misapprehension, and to pave the way for concerted action. At the conclusion of the Conference the impression was that the atmosphere was much clearer, and that there was a more just appreciation on both sides of the problems which had to be faced and overcome. It remains to be seen how far the decisions arrived at will be carried out by the Russian Government. Much will depend upon the British and French officers who have been left behind, and who have been charged with the carrying out of the measures which have been agreed upon. The officers to be attached to General Poole's staff should be carefully selected; they should, if possible, be able to speak Russian and French, and they should know their respective jobs thoroughly. If we are really going to help the Russians, we cannot afford to send anyone who is not first rate. These officers must be backed up by the authorities at home, and every effort must be made to accede to their requests. Their activities will be stultified if the Russians get the impression that the British authorities pay scant attention to the communications of their representatives.

Similarly, only the best and most up-to-date material should be sent out. It is a gross mistake to think that second-hand or inferior munitions can be palmed off on Russia. An impression seemed to exist in some quarters that this is sometimes done, and it is put forward as an excuse for the failure to utilise some of the material sent.

After the war there is no doubt that the Germans will make strenuous efforts to regain the ascendency in Russian trade which they have temporarily lost, and it will be our business to make provision in time for the development of our own trade, and to exercise sufficient influence upon the internal affairs of the country, so that the alliance between the two countries formed during the war may be strengthened and encouraged, and may result in lasting benefit to both countries.

With a view to carrying out this policy it is suggested that every effort should be made as soon as possible to induce a large number of promising young men, who have had some commercial or business experience, to go out to Russia in order to learn the language. For this purpose it might be advisable to enlist the services of partially disabled officers who have had to leave the army. When they have acquired a knowledge of the language they would be in a position to take up posts connected with the development of British trade. At the conclusion of war Russia will owe this country a huge sum of money, and it will be necessary to develop our trade relations, not only to deprive Germany of her hold and influence upon the Russian people, but also as a means of assisting in the liquidation of the debt. There is no doubt that Russia possesses immense possibilities of industrial development, and that with the extension of her railway system and the equipping of her ports there is ample room for the growth of trade relations with Great Britain. The foundation of this trade reciprocity between the two countries should be laid before the termination of the war. Steps should be taken now to encourage preparation.
for the investment of British capital in Russia after the war. Otherwise the Germans, through the organisations which they previously utilised, will step in again and resume their industrial superiority.

The progress of the world in a large measure depends upon the planting of British ideas on Russian soil, which will peacefully penetrate and influence all classes of Russian society, resulting in the growth of a new democracy imbued with the ideals of freedom and progress.

All our efforts, whether they be military, political, commercial, or educational, should be directed towards achieving this great purpose.

Summary of Conclusions.

1. Provide funds to be at the disposal of our representatives in Russia.
2. Insist on careful selection of officers to be sent to Russia; stress should be laid on the importance of their being able to converse in Russian and French.
3. Arrange to send out suitable young men to acquire a knowledge of the Russian language, whose services can be utilised to promote British trade after the war.
4. Enquire into the possibilities of using Dalny as a supplementary port to Vladivostock.
5. Press for the distribution of accumulated supplies at Vladivostock.
6. Restrict future imports at Vladivostock to railway supplies until the congestion is relieved.
7. Press for completion and reconstruction of the Murman Railway and port of Kola, with a minimum capacity of 2,000 tons a day, before the 1st November.
8. In the meantime regulate despatch of tonnage to Kola, in accordance with the capacity of the railway to handle the traffic.
9. Press for restrictive and preventive measures to minimise the risk of explosions at the ports, particularly at Archangel and Kola.
10. Despatch as soon as possible all available rolling-stock. Hasten completion of contracts for rolling-stock.
11. Create a separate transport section under General Poole, with a Director of Transport at its head.
12. Make the Director of Transport responsible for all transport arrangements in Russia, and place all the naval and military officers now engaged on this work under his supervision.
13. Increase the number of Stokes and 2-inch trench mortars which have been promised.
14. Instruct General Poole to make recommendations regarding priority in despatch of war material.
15. Press the Russian Government to expedite the increase of supplies of raw material and fuel. Strictly limit our contribution of metals.
16. Create a sub-committee of War Cabinet to supervise and co-ordinate all war arrangements in connection with Russia.

March 10, 1917.

D. D.
ALLIED CONFERENCE AT PETROGRAD,

JANUARY–FEBRUARY 1917.

Documents relating to the Sub-Commission on Munitions.

Parts I, II, III, and IV.

(Previous Papers Nos. G-130, G-131, G-132, G-133, G-134, and G-137.)
MEMBERS OF THE MUNITIONS SUB-COMMISSION.

Russia.
His Excellency General BELAYEFF, President;
His Imperial Highness GRAND DUKE SERGE MICHALLOVITCH;
His Excellency SENATOR GARINE;
His Excellency General BABIKOFF;
and other officers representing various Departments of the Ministry of War and the Ministries of Marine, Finance, and Ways and Communications, Commerce, and Agriculture.

France.
General JANIN;
Colonel REMOND;
and members of the French Munitions Mission in Russia.

Great Britain.
Major-General HEADLAM;
Mr. LAYTON;
and other officers.

Italy.
General ROMEI-LONYHENA;
Commandant CAVALLEIRO;
and other officers.
REPORTS AND DOCUMENTS.

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PART I.—General Note.

II.—Report of Sub-Commission to Plenary Conference (with translation).

III.—Report to Lord Milner on Russian Demands.

Annex 1.—Grand Duke Serge's Memorandum on present Russian Artillery Situation.

2.—Note on the Capacity of Russian Ports.

3.—Draft Scheme for the Militarisation of Labour at Archangel.

IV.—Detailed List of Russian Artillery Demands, with Replies of British Delegates.

V.—Notes and Tables on the Present and Prospective Munition Output of Russia.
Conference of the Allies in Petrograd, January-February 1917.

PART I.—GENERAL NOTE.

THE Munitions Sub-Commission was entirely occupied with an examination of the needs of Russia not only in artillery and other munitions, but also in raw materials, machinery, and commercial products. All these various demands had been prepared in considerable detail before the arrival of the Mission, and, in particular, great care had been spent in drawing up for the first time a carefully thought-out scheme of artillery equipment.

A summary of these detailed demands, together with various comments and recommendations, was presented before the sittings were concluded in a report to Lord Milner by the British representatives on the Sub-Commission (see Part III below), while the conclusions were embodied in consultation with the French and Italian delegates in a separate statement which was presented to the Minister of War (see Part II below).

This document was accepted by him as the report of the Munitions Sub-Commission subject to the reservation that small changes should if necessary be made in the allotment of available transport facilities.

Tonnage.

The demands put forward amounted with existing orders to some 13 million tons of material, but though very little of this could be ruled out as unnecessary, it was clear that this quantity of goods could not possibly be imported into Russia in 1917.

It was not easy with the information at our disposal to determine what exactly were the limiting factors to the capacity for importation. Official figures were put forward showing that the ports could deal with 12½ million tons in 1917, while the railways, it was said, could handle 8 million tons. The figures would not, however, stand examination, and at a special conference the port capacity was reduced to 1,131,000 tons. Even this figure was considered by both the British and French officers to be excessive, and as it seemed impossible to arrive at definite limits either for the ports or railways, the shipping tonnage arrangements for the year, as given by the Admiralty, viz., 3,400,000 tons, were taken as our basis. This figure will severely tax the resources of the ports, and will require some very important improvements in organisation. In view of the possibilities of delays in delivery and losses, it seemed, however, desirable to allow a margin 25 per cent. above this figure in the supply arrangements for 1917. The programme was therefore based on the figure of 4½ million tons for the calendar year.

Artillery, &c.

Of this amount 1,200,000 tons were allocated to artillery. This is far greater than the amount of these munitions hitherto imported, but it represents little more than one quarter of the demands. The total is largely composed of 3-inch shell, rifles, S.A.A., aeroplanes and explosives already on order, together with cessions of heavy artillery and ammunition already promised. But these supplies would have left the artillery equipment very far from adequate, and it was therefore proposed that Great Britain should allocate to Russia four batteries of 6-inch, two batteries of 8-inch, and one battery of 2-inch howitzers per month for six months starting from June next. No more guns than those previously ceded could possibly be sent into Russia until Archangel opens, and the offer will leave the whole British output of April and May for our own forces.
The proposal was put forward on a monthly basis, as a regular supply of artillery will greatly facilitate the work of training, &c. The Minister of War was very anxious that Great Britain should take full responsibility for shipping and delivering these batteries complete with all equipment in Russia, just as it would if placing them on the Western front. Russia is herself turning out five 6-inch howitzer batteries a month, and with the cession proposed will be able to put into the field in the last half of 1917 nine 6-inch and three heavier howitzer batteries a month. It is thought that this ratio of three to one represents a suitable ratio of 6-inch to heavy artillery. Ammunition for these guns must be supplied from home, for the production of Russian type ammunition is still inadequate for the guns in the field and is limited by the output of shell steel. There is no prospect of Russia's shell capacity increasing sufficiently to leave a margin for making British type ammunition. Neither France nor ourselves were able to offer help in the matter of field guns, though the requirements for the equipment of new divisions, for increasing the establishment per division (54 instead of 36 per division are aimed at) and for making good wastage are greatly in excess of Russia's own output. As regards aeroplanes, the needs of Russia are at least as important as in the case of artillery, and though no precise numbers were given, Russia was told that the utmost possible number of aeroplanes would be sent up to a total of 800 machines complete with machine guns and wireless apparatus. These will be sent to Major Valentine, and the training of pilots for these machines will be under his control. The Grand Duke Alexander has also arranged to send regularly a certain number of men and officers both to France and England to study British methods and machinery. Further, the Grand Duke was informed that the British Government hoped to be able to send one or two squadrons of fighting aeroplanes with personnel and equipment, to sweep the front before the Russian offensive starts. The Russians were also offered fifty Stokes and fifty 2-inch trench mortars with ammunition for experimental and demonstration purposes, in addition to the heavy mortars already being supplied.

Offers were also made with regard to propellant and explosives. In the former case, emphasis was laid on the danger of Russia's growing dependence on America, which is even greater than in our own case. There is unfortunately nothing that can be done to modify the situation materially this year, and we must therefore undertake to provide sufficient imports to enable Russia to complete her full ammunition programme. The figures are subject to small modifications as a result of the decisions of the Conference, but it is essential that arrangements should be made now to send forward an adequate supply as soon as Archangel opens. If this is done, Russia can afford to run the risk of using up all her reserves during the intervening months. It is also important that the supplies should be as evenly spread as possible in order to prevent unduly large accumulations at Archangel.

Other Artillery Department demands, together with the answers given by the British delegates, are enumerated in a statement given below.

Other Requirements.

The next demand in order of urgency is for railway material. But there are already 700,000 tons on order for delivery this year, and it is extremely improbable that orders could be placed for additional quantities, or, if placed, could be transported this year. The need is, however, so urgent that it was agreed to recommend that orders should be placed now for delivery at the end of 1917 of 200,000 tons of rails and 100,000 tons of rolling-stock. Special importance was also attached to the demand for barbed wire. It is true there are 60,000 tons awaiting shipment at Vladivostock, but when this is moved it will not go very far to meet requirements. Most of the front is very inadequately barbed, and on the southern front it is almost entirely lacking. The demands will also be exceedingly heavy if there is any appreciable movement of the line during the present summer. Russia is herself making barbed wire, but has a capacity for barbing still larger quantities. It was therefore decided to recommend that orders should be placed for sufficient wire to keep her factories employed.

These two items—railway material and wire—together with 1,200,000 tons for the Artillery Department, and 1,500,000 tons which was agreed as the minimum coal requirement, amount to 3,510,000, leaving only 740,000 tons for other demands.

Of this it is proposed to allocate 280,000 tons to metals, including 100,000 tons of shell steel and 200,000 tons to motor transport. This latter figure will involve scaling
down existing orders and allocating tonnage as between France, Italy, and Great Britain. The Minister of War should be pressed to confirm or modify this total and to make an allocation at the earliest possible moment. Roumania is to have 120,000 tons of the balance, leaving 140,000 tons for marine demands, army equipment, and all commercial requirements. A comparison of this figure with the demands given in the detailed report below, shows that, by agreeing in principle to this tonnage programme, the Russian Government are prepared to face the gravest shortage in commercial materials, cotton, rubber, wool, &c, and to cut off almost entirely the importation of machinery for the sake of getting large additional quantities of artillery and coal into the country. Russia's needs are, in fact, extremely acute, and all possible steps should be taken to secure that the proposed total of 3,400,000 tons is supplied, and, if possible, exceeded.

Capacity of the Ports.

It is, of course, useless to send goods which can neither be unloaded nor moved away by rail. But the work done at Archangel in 1916 was far better than was expected—the port being practically cleared by Christmas—and with last year's experience it should be possible to make a further very appreciable increase in 1917. The capacity of the Vladivostock route is limited by the railway, but it is not impossible that means may be found for increasing the capacity of the Siberian line. This is a matter to which Mr. Bury is giving special attention, while it has also been suggested that the Japanese could render some help in providing rolling-stock, and possibly also in developing the route through Dalny.

There remains the question of the Murman Railway, which is one of immediate and pressing importance, in view of the fact that every ton of material which is to reach the front by midsummer must pass into Russia by this route. The railway will also be of special importance next winter for the regular provisioning with ammunition of the British type artillery which will then be in the field. When the Mission reached Romanov only one munition train, containing 120 tons of goods, had passed over the line, though there were then 20,000 tons afloat awaiting discharge. No reliable information was received from Romanov during our stay in Petrograd; but on Monday, the 19th February (n.s.), Lord Milner presided at a meeting at which were present various representatives of the Railway Department, including representatives of the Construction and Traffic Departments, as well as representatives of the Admiralty and of the Ministry of Commerce, which controls the ports.

These gentlemen agreed that we could safely rely on the transport of 120,000 tons before the line becomes impassable in May, and this total, if realised, would permit of the despatch of most of the urgent material, which should be on the front by the summer. It was urged that this estimate was a conservative one, and it was pointed out that the railway had only just been taken over from the Construction Department by the regular Traffic Department.

These anticipations were, however, not confirmed by the result of enquiries at Romanov itself on our return. The cargo afloat had risen to 44,000 tons, of which it was hoped to send 12,000 round to Archangel by icebreaker, while 24,000 tons more were expected. The tonnage forwarded by rail by the 7th February (o.s.) had reached 6,180 tons, and was leaving at the rate of 200 tons a day, i.e., one train a day as against five a day required to complete the February programme. The discharging berths are capable of dealing with 1,500 tons a day, but both warehouse accommodation and shore labour are inadequate, with the result that trucks which are needed to move material along the piers are being used as storing places in the rear of the port.

Hence the unloading ganges are standing idle waiting for trucks. There is only warehouse capacity for some 5,000 tons, and this is largely being used for stores in connection with the naval base. There are, in short, a number of serious troubles which are preventing the clearing of the port. But the difficulties are all such as are capable of being overcome by energetic handling. The work of the next four weeks will show whether there is any prospect of getting through any considerable volume of material by May.

In this connection the Minister of War has agreed to reserve the railway exclusively for certain artillery requirements, and orders have been issued to ship no other goods either from New York or from London. Our journeys over the railway were very satisfactory, and, when certain weak places have been strengthened, curves and gradients reduced, and passing places increased this summer, the line should enable us to pour into Russia a continuous stream of ammunition and other munitions during the winter of 1917-18.

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Archangel remains, however, the most important means of access to Russia, and at that port the chief difficulty is labour, which is not sufficiently controlled or of good enough quality. The Mission therefore pressed upon the attention of the Government a scheme for the militarisation of shore labour handling general cargo. This scheme, which was drawn up by Commodore Kemp and discussed by the officers of the Mission with British officials having a knowledge of conditions in the White Sea, was approved by the Minister of Marine and the Minister of War. On the day we left Petrograd the proposal was submitted by Admiral Korvin (the Russian admiral in charge of Archangel) to General Gourko, who will have to find the men and officers, but we are unable to say whether his concurrence was obtained. The matter has been left, so far as British interests are concerned, in the hands of a Committee consisting of General Poole, Commodore Kemp, and Mr. Lindley.

On the whole, if things go well, there is a prospect that the ports may be able to deal with more than 3,400,000 tons this year, and it is extremely desirable that, if there is evidence of this happening, the Admiralty should make every effort to feed Russia to the full capacity of the ports, on the one condition that a definite tonnage programme and priority arrangement is finally approved and strictly adhered to by the Russian Government. It is worth a great deal of sacrifice to get the vital necessities into Russia, but not to import material of secondary importance.

In this connection, the most important statement was made by the Minister of War that he has now insisted in the Council of Ministers that all orders to be placed overseas must be approved by him, and that as soon as he has had time to study outstanding orders he will issue an authoritative order of priority.

**Russian Output.**

The conclusions of the Commission pointed time and again to the vital necessity of securing an improvement in the output of Russia's mines, furnaces, and workshops. To a large extent this is a matter of transport, on which Mr. Bury will report later; but definite recommendations were made with regard to the recall of skilled labour from the colours and to the appointment of an organiser for the Donetz coal area. It is also clearly desirable that latest ideas from the Western Powers should be available in Russia, and the War Department welcomed an exchange of experts. In particular we have undertaken to send out to Russia one or more representatives, who will be able to explain what has been done in England in the way of economising the use of metals. The Artillery Department is also sending to England an officer to study our methods of amatol filling and the composition of signal lights.

It may be remarked here that much good work of this kind has already been done by French experts in Russia, but even more important results of the work of French permanent Mission are indicated in the rapid increase in output in the Moscow area, which has been organised by them. Half the total Russian output of 3 inch ammunition is now filled in a factory erected and run by these French officers. It is important that British munitions officers in Russia should work in closest touch with this Mission, and above all that there may be no divergence in the advice which is pressed upon the Minister of War.

**Shipping and British Representation in Russia.**

Reference has already been made to the request of the Minister of War that the British Government should make itself responsible for the despatch to Russia of all British type war material—which should be sent complete with all necessary appurtenances to a British officer in Russia, who would be responsible for landing it over to the authorities in a form in which it could quickly be made ready for service. It was pointed out that this would involve a duplication of shipping authorities in England, as the Russian Commission would still be responsible for shipping raw materials and other goods. The Minister of War was of opinion that if the British Government wished to take over all shipments, no objection would be raised in Russia if this were done. The duties of the Russian Commission would be limited to dealing with contracts and to acting as the channel through which the Russian Government make known its wishes as regards priority, whether in production or in shipping.

This suggestion is intimately connected with the proposals for British representation in Russia. The Minister of War heartily welcomed the suggestion that the British Minister of Munitions should have an officer in Petrograd who would combine with other duties that of a liaison officer between the Ministry of War and the Ministry
of Munitions. His organisation should be such as to enable him to advise the British Government on the munition situation in Russia, while he would also be an adviser to the Russian Minister of War.

The precise functions of this officer and his relations to General Poole and to the various Departments at home are matters which will require speedy consideration. In this connection, however, it appears that some steps may be required to centralise at home the work of the War Office, Admiralty, Ministry of Munitions, Treasury, and Commission Internationale de Ravitaillement, in dealing with Russian affairs. Have, for example, brought back a very considerable number of documents dealing with various aspects of the munitions problem in Russia; but although all the work of the Mission emphasises the need of dealing with this problem and especially the allocation of transport as a whole, there is no one British Department to whom the information should be handed over.
Conclusions of the Representatives of the Allies on the Armaments Commission.

1. THE representatives of the Allies on the Armaments Commission have examined with the most sympathetic attention the demands put forward by the Russian Government, which they consider to be needed in their entirety.

2. It is, however, necessary to take into account, not merely the restricted capacity of the few ports through which all imports must be brought, and the insufficiency of the means of rail transport from these distant bases to the interior of the country, but also the limited quantity of shipping tonnage which the representatives of Great Britain have indicated will be available. On the whole, it is very improbable that it will be possible to import into Russia during the current calendar year more than 3,400,000 tons,* although every effort will be made to exceed this figure. Moreover, in view of the increased dangers of navigation, it is quite possible that even this figure may not be reached.

In accordance with an arrangement already existing, 120,000 tons out of the total available must be reserved for Romanian munitions.

3. It is, however, necessary that all supply arrangements should be based on the most favourable hypothesis, and steps taken to send to Russia the maximum possible total. Some excess allowances may even suitably be made for losses and delays in delivery.

4. In view of these conditions, it is suggested, for the consideration of the Russian Government, that the following allocations should be made among the various classes.

* Not including the additional imports which it is hoped will be supplied from Japan.

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de chargements, un tonnage éventuel de 4,250,000 tonnes, comportant une majoration de 25 pour cent par rapport aux disponibilités probables :

<table>
<thead>
<tr>
<th>Matériels et munitions</th>
<th>Tons</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>de l'artillerie</td>
<td>1,200,000</td>
<td></td>
</tr>
<tr>
<td>de chemin de fer</td>
<td>700,000</td>
<td></td>
</tr>
<tr>
<td>Acier à obus</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>Autres métaux</td>
<td>180,000</td>
<td></td>
</tr>
<tr>
<td>Fil de fer (à transformer en Russie en fil barbelé)</td>
<td>110,000</td>
<td></td>
</tr>
<tr>
<td>Matériels et munitions pour la Roumanie</td>
<td>120,000</td>
<td></td>
</tr>
<tr>
<td>Charbon</td>
<td>1,500,000</td>
<td></td>
</tr>
<tr>
<td>Fournitures diverses pour l'armée, la marine, et le commerce</td>
<td>340,000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,250,000</td>
<td></td>
</tr>
</tbody>
</table>

(N.B.—Des listes plus détaillées seront fournies.)

Cette répartition suppose qu'elle sera possible de se procurer les fournitures envisagées. Elle ne comprend pas les articles originaires de la Suède, ni ceux que le Japon pourrait fournir en supplément, dans les conditions indiquées à l'article 14, ni les navires, remorqueurs, bateaux pour le service des ports, qui peuvent se rendre en Russie par leurs propres moyens.

5. Sous la rubrique "Matériels et Munitions d'Artillerie" sont comprises les cessions principales suivantes que les représentants alliés proposent à leurs Gouvernements, en sus de celles consenties antérieurement :

**France**

(a.) Artillerie lourde :
- 50 matériaux de 155 long ancien modèle dont la cession avait été adjournée;

(b.) Trench Mortars :
- 360 canons de 58 No. 2, avec dotation initiale de 500 coups par pièce ;
- 120 mortiers de 240 L.T. avec dotation initiale de 500 coups par pièce,

à céder par livraisons échelonnées jusqu'à la fin de 1917.

(c.) Munitions :
- 45,000 coups de 120 long (y compris 15,000 déjà promis), par mois, à partir de février.
- 15,000 coups de 155 long, par mois à partir de février.
- 3,000 coups de mortiers de 11-inch en éléments complets (obus non chargés), par mois, à partir de février.

(N.B.—More detailed lists will be supplied.)
1,000,000 fusees détonateurs de 24/31, avant juillet.
3,000,000 cartouches pour pistolet automatique (1,000,000 en avril, 1,000,000 en juillet, 1,000,000 en octobre.)

D'autres demandes sont encore soumises à l'examen du Gouvernement français, notamment en ce qui concerne le matériel d'aviation.

Grande-Bretagne.

(a.) Artillerie lourde :

4 batteries d'obusiers de 6 pouces, 2 batteries d'obusiers de 8 pouces, 1 batterie d'obusier de 9'2 pouces par mois pendant six mois, à partir de l'ouverture du port d'Arkhangelsk ; plus un total de 50 obusiers de 4'5 inches destinés à remplacer les pertes de matériel de ce calibre.

En outre, pendant l'hiver 1917–1918, le Gouvernement anglais remplacera les canons des modèles cédés par lui qui auraient été mis hors de service.

(b.) Matériel de tranchée :

50 mortiers de 2 pouces de suite ;
50 mortiers Stokes de suite ;
330 mortiers de 9'45 pouces, aussitôt que possible, dès leur achèvement.

(c.) Munitions :

Pour l'artillerie lourde en même temps que les matériaux promis :

100 coups par semaine et par pièce pour les obusiers de 6 pouces.
75 coups par semaine et par pièce pour les obusiers de 8 pouces.
75 coups par semaine et par pièce pour les obusiers de 9'2 pouces.

Pour les mortiers de tranchée :

500 coups par pièce pour les mortiers de 2 pouces.
1,000 coups par pièce pour les mortiers Stokes.
500 coups par pièce pour les mortiers de 9'45 pouces.

En outre, à partir de juillet 1917, le Gouvernement anglais fournira un ravitaillement journalier pour tous ces mortiers.

(d.) Matériel d'Aviation :

Le plus grand nombre possible d'avions, avec mitrailleuses, et, pour une certaine proportion, avec appareils de télégraphie sans fil, jusqu'à concurrence de 800 au maximum pendant l'année 1917.

1,000,000 percussion fusees of 24/31 type before July
3,000,000 rounds of ammunition for automatic pistols (1,000,000 in April, 1,000,000 in July, 1,000,000 in October.)

Other demands are still under the consideration of the French Government, notably those relating to aviation material.

Great Britain.

(a.) Heavy Artillery :

4 batteries of 6-inch howitzers, 2 batteries of 8-inch howitzers, 1 battery of 9'2-inch howitzers per month for six months from the opening of Archangel ; plus a total of 50—4'5 howitzers needed to replace losses.

In addition, during the winter 1917–18 the British Government will replace guns and howitzers of the types ceded by it which have been put out of action.

(b.) Trench Mortars :

50—2-inch mortars at once.
50—Stokes mortars at once.
330—9'45 mortars, as soon as they can be produced.

(c.) Ammunition :

For heavy artillery at the same rate as for guns already promised, viz. :

100 rounds per gun per week for 6-inch howitzer.
75 rounds per gun per week for 8-inch howitzer.
75 rounds per gun per week for 9'2-inch howitzer.

For trench mortars:

500 rounds per gun for 2-inch mortars.
1,000 rounds per gun for Stokes mortars.
500 rounds per gun for 9'45-inch mortars.

From July onwards the British Government will furnish a continuous supply for these mortars as may be required.

(d.) Aviation Material :

As many aeroplanes as possible, with machine guns and, for a certain proportion, with wireless apparatus, up to a maximum of 800 aeroplanes during 1917.
(e.) **Poudres** :
30,000 tonnes au total pour l'année 1917, y compris les commandes déjà faites.

**Italie**.
200 pièces de 105 à livrer à partir de mars 1917.
40 canons anti-aériens pour la marine.
(La cession de 60 autres, ainsi que des douilles et fuses, est encore soumise à l'examen du Gouvernement italien.)

D'autres demandes sont encore soumises à l'examen du Gouvernement italien.

6. Le tonnage indiqué sous la rubrique "Materiel de Chemin de fer" comprend les quantités qui doivent être livrées d'après les ordres déjà donnés, soit au total 370,000 tonnes des rails.

En outre, en raison de l'urgence d'une augmentation des moyens de transport, les délégués anglais proposeront à leur Gouvernement de placer, si possible, de nouvelles commandes jusqu'à concurrence de 100,000 tonnes de matériel roulant et 200,000 tonnes de rails, à livrer dans le dernier trimestre de 1917 et à transporter en Russie au début de 1918.

7. Les délégués anglais proposeront également à leur Gouvernement de prévoir sur ses propres ressources et de céder à la Russie 4,000 tonnes d'acier à obus par semaine, pendant six mois d'ouverture du port d'Arkhangelsk, sous réserve que la Direction d'Artillerie russe produira avant juin des tracés d'obus pour canons russes permettant d'utiliser les aciers anglais.

Etant donnés les besoins urgents du front russe, ils proposeront enfin de commander en Amérique 110,000 tonnes de fil de fer, à transformer en Russie en fil barbelé.

8. Le Gouvernement russe voudra bien indiquer l'utilisation qui lui paraîtra le plus désirable pour le tonnage restant disponible. Toutefois, on peut que 200,000 tonnes pourraient être réservées aux automobiles de toute nature.

Il conviendrait alors d'établir une répartition de ces 200,000 tonnes entre les trois pays, France, Grande-Bretagne et Italie, et de limiter les expéditions de chaque pays, en 1917, à la part qui lui aurait été attribuée.

Il resterait ensuite 140,000 tonnes disponibles pour les autres besoins. Ce total est inférieur au tonnage nécessaire pour le transport des commandes déjà en cours. Il sera probablement insuffisant pour la quantité des marchandises qui attendront l'embarquement dans les ports et entrepôts

(e.) **Propellant** :
30,000 tons in all for the year 1917, including orders already placed.

**Italie**.
200—105 millim. guns, delivery to start in March 1917.
40 anti-aircraft guns for the navy.
(The cession of 60 more, as well as of cartridge cases and fuses, is still under consideration by the Italian Government.)

Other demands are also under consideration by the Italian Government.

6. The tonnage given under the head of "Railway Material" represents the amount to be delivered on existing orders, including 370,000 tons of rails.

In view, however, of the urgent need of increasing the means of transport, the English delegates will recommend their Government to place, if possible, additional orders, up to a total of 100,000 tons of rolling stock, and 200,000 tons of rails for delivery in the last quarter of 1917, and for transport to Russia at the beginning of 1918.

7. The English delegates will also recommend their Government to cede to Russia out of its own resources 4,000 tons of shell steel a week during the six months open navigation at Archangel, on condition that the Russian Artillery Department will produce before June a design of shell for use in Russian type guns for which British quality shell steel would be suitable.

Further, in view of the urgent requirements on the Russian front, they will recommend that 110,000 tons of wire shall be ordered in America to be transformed in Russia into barbed wire.

8. The most suitable distribution of the remaining tonnage is a matter for the consideration of the Russian Government. It is, however, suggested that a figure of (say) 200,000 tons should be reserved for motor vehicles of all classes.

Further, a division of these 200,000 tons should be made between the three countries, France, Great Britain, and Italy, and shipments from each country during 1917, should be strictly limited to the tonnage allocated to it.

If these suggestions are accepted, there would remain 140,000 tons available for all other needs—this total is considerably less than the tonnage required to transport the goods due on existing orders, and will probably be less than the volume of material which will actually be waiting.
lors de la réouverture de la navigation. Il n’est donc pas opportun de lancer de nouvelles commandes à livrer dans l’année courante.

Toutefois, en raison de l’intérêt tout spécial qu’il y a à faciliter les transports dans l’intérieur du pays et sur le front, les délégués de la Grande-Bretagne proposèrent à leur Gouvernement de placer des commandes pour la livraison immédiate de grues et autres outillages pour le port d’Arkhangelsk et aussi de harnachement.

Les représentants alliés croient devoir appeler l’attention du Gouvernement russe sur le danger de l’encombrement qui se produirait, dans les ports de départ, si des mesures n’étaient pas prises pour différer l’envoi dans ces ports des marchandises qui ne sont pas de première urgence.

9. Pour que le matériel cédé puisse être mis dans le plus bref délai possible à la disposition des armées russes, on estime qu’il serait nécessaire de réserver le chemin de fer Mourman, jusqu’à la réouverture du port d’Arkhangelsk, ou transport du matériel d’artillerie, des mortiers de tranchée, des munitions, des poudres et du matériel d’aviation.

Il est prudent de prévoir le cas où le trafic serait interrompu sur une partie de la ligne par suite d’un accident quelconque, et d’assurer dans ce cas le transport par traîneau dans cette partie. Il convient donc de rassembler à l’avance, pour les avoir sous la main en cas de besoin, les traîneaux, animaux et conducteurs nécessaires.

Il est d’autre part indispensable de prendre toutes les précautions utiles pour garantir la sécurité du port de Romanoff et de ses abords, tant contre les accidents à terre que contre les entreprises des sous-marins ou autres navires ennemis.

Enfin, pour éviter toute perte de temps, il y aurait intérêt à ce que les droits de douane soient perçus non à Romanoff, mais dans une ville de l’intérieur.

10. Il y a lieu de remarquer que le programme proposé ne pourra être exécuté que si des mesures énergiques sont prises sans délai pour assurer dans les meilleures conditions le fonctionnement du port d’Arkhangelsk, qui est actuellement la principale porte d’entrée sur la Russie.

A ce propos, on considérera comme tout à fait indispensable de militariser, avant la réouverture de la navigation, le personnel du port chargé des manutentions à terre et du chargement des trains.

11. Le tonnage maximum prévu ne pourra être réalisé que si les navires sont retenus le moins longtemps possible dans

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les ports. A ce point de vue, une nouvelle difficulté surgira, en 1917, à Arkhangelsk, en raison de la nécessité d'exporter au moins 500,000 tonnes de blé.

Il est donc de la plus haute importance de préparer énergiquement et sans retard cette dernière opération, en commençant dès maintenant la construction des quais, magasins, &c.

12. A cause de l'impossibilité d'importer tout le charbon et l'acier qui font défaut à la Russie, il est essentiel que sa production propre soit augmentée, en 1917, par tous les moyens possibles. D'après les renseignements récevus, on est d'avis que les grandes mines pourraient produire plus de charbon si l'on mettait à leur disposition le personnel spécialiste nécessaire qu'il faudrait rappeler du front à cet effet. On obtiendrait une amélioration immédiate de la situation en concentrant dans la main d'un seul chef, énergique et actif, la répartition des charbons dans la région du Sud, et la distribution des wagons pour leur transport.

13. La pénurie des métaux oblige aussi à en supprimer l'emploi dans les industries qui n'ont aucun rapport avec la guerre. De même, dans la fabrication du matériel de guerre et des munitions, il est indispensable d'user de tous les procédés propres à économiser le métal.

14. Il semble que les ressources du Japon, en ce qui concerne les munitions, n'ont pas été utilisées à leur maximum qu'il eût été possible. On suggère que les Gouvernements alliés représentés à la Conférence fussent une dénonciation auprès du Gouvernement japonais pour lui demander d'organiser ses ressources en vue de fournir à la Russie poudres, acier, cuivre, matériel de chemin de fer et munitions confectionnées.

Si le Gouvernement japonais se chargeait de l'organisation des transports par mer et de la fourniture de wagons et de locomotives, il en résulterait un supplément de matériel précieux.

15. Si le Gouvernement russe pensait que la mise à sa disposition d'ingénieurs ou autres experts pût favoriser le développement de sa production, ses Alliés de l'Ouest seraient heureux de lui donner satisfaction sur ce point.

16. Les représentants alliés tiennent à exprimer leur reconnaissance pour le trés obligeant empruntage avec lequel le Gouvernement russe leur a fourni tous les renseignements demandés.
### DETAILS of the Tonnage allocated for the Artillery Department.

<table>
<thead>
<tr>
<th></th>
<th>Grande-Bretagne</th>
<th>France</th>
<th>Amerique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Munitions</td>
<td>170,000</td>
<td>132,400</td>
<td>180,000</td>
</tr>
<tr>
<td>for 170,000</td>
<td>10,000</td>
<td>7,200</td>
<td></td>
</tr>
<tr>
<td>guns and howitzers</td>
<td>(included)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Artillery</td>
<td>29,000</td>
<td>12,000</td>
<td></td>
</tr>
<tr>
<td>Trench mortars and ammunition</td>
<td>29,000</td>
<td>12,000</td>
<td></td>
</tr>
<tr>
<td>Aviation</td>
<td>70,000</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td>Explosives</td>
<td>30,000</td>
<td>120,000</td>
<td></td>
</tr>
<tr>
<td>Fusils</td>
<td>10,000</td>
<td>7200</td>
<td></td>
</tr>
<tr>
<td>Mitrailleurs</td>
<td>29,000</td>
<td>12,000</td>
<td></td>
</tr>
<tr>
<td>Artillery</td>
<td>83,000</td>
<td>6,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Other objects, y compris signaux lumineux, matériel optique, mais à l'exclusion des automobiles</td>
<td>2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>394,000</td>
<td>328,000</td>
<td>360,000</td>
</tr>
</tbody>
</table>

Au total: 1,082,000 tonnes, plus le matériel venant d'Italie et les explosifs venant de France, soit 1,800,000 tonnes.

### ANALYSIS of the Tonnage allocated to Guns and Ammunition, &c., for the Artillery Department.

<table>
<thead>
<tr>
<th></th>
<th>Great Britain</th>
<th>France</th>
<th>America</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammunition for guns and howitzers</td>
<td>170,000</td>
<td>152,400</td>
<td>180,000</td>
</tr>
<tr>
<td>Guns and howitzers (including trac-</td>
<td>10,000</td>
<td>7,200</td>
<td>(Included in British.)</td>
</tr>
<tr>
<td>tors)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trench mortars and ammunition</td>
<td>29,000</td>
<td>12,000</td>
<td></td>
</tr>
<tr>
<td>Aviation</td>
<td>70,000</td>
<td>150,000</td>
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</tr>
<tr>
<td>Explosive</td>
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</tr>
<tr>
<td>Rifles</td>
<td>10,000</td>
<td>7200</td>
<td></td>
</tr>
<tr>
<td>Automatic rifles</td>
<td>83,000</td>
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<td>20,000</td>
</tr>
<tr>
<td>Machine-guns</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Small-arms ammunition</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other things, including signal lights, optical ammunition, but excluding automobiles</td>
<td>2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>394,000</td>
<td>327,720</td>
<td>360,000</td>
</tr>
</tbody>
</table>

Grand total: 1,084,000 tons, plus the munitions to be dispatched from Italy and the explosives from France, say, 1,800,000 tons.
SECRET.

CONFERENCE OF THE ALLIES AT PETROGRAD, JANUARY-FEBRUARY 1917.

SUB-COMMISSION ON MUNITIONS.

PART III.

REPORT TO LORD MILNER

BY THE

BRITISH MEMBERS.
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SUB-COMMISSION ON MUNITIONS.

REPORT TO LORD MILNER BY THE BRITISH MEMBERS.

1. Conferences have been held under the Chairmanship of the Minister of War, and subsequently at various Ministries, at which comprehensive demands have been put forward showing the Russian requirements of all kinds of goods for war purposes. The Minister of War was not willing to consider the question of tonnage or finance, or any other consideration which might limit supplies, except the possibility or otherwise of production, until the whole demands had been put forward and the reasons for each specified in more or less detail.

2. The following report deals with the chief items in these demands together with such suggestions as we are able to make with the information available, as to the desirability as well as the possibility of meeting them. Generally, suggestions are also made as to the reduction of these demands within the limits of the capacity of importation.

CHAPTER I.—ARTILLERY.

SECTION A.—GUNS.

3. At the first meeting of the Committee the Minister of War proposed to consider only the possibility of supplying the very extensive requirements detailed in Part IV. of this report, which was communicated to the Committee. In accordance with our instructions, however, a demand was at once made for information as to—

(a) The present position as regards the artillery equipment of the Russian Army.

(b) The programme (number of divisions, establishment, &c.) on which the requirements were based.

After some discussion, in which we were supported by the French, this was agreed to, although the preparation of the second statement involved some delay.

4. The obtaining of a complete statement (Annex 2) as to the guns, &c. in existence in Russia, authorised by all those responsible, has been of great help. Heretofore, it has never been possible to obtain a comprehensive statement showing the total of all the guns on the front, in reserve, in the arsenals, &c., and the partial statements given at different times by different authorities have been of little value, owing to the possibility of the same material appearing in different categories in different lists. The form now adopted was drawn up on consultation with the French members, with the view of obviating such discrepancies, and the figures have been agreed to by the Minister for War, the Chief of the Artillery Department, and the Grand Duke Serge, Inspector-General of Artillery, representing the Stavka.

5. Similarly, no information has hitherto been available as to the Russian views regarding the numbers of guns of the different types which should be provided for an army of any given size, such a programme of requirements, that is to say, as was put forward by the C. in O. of both the British and French forces last year. It is obvious, however, that even if the full realisation of such an ideal is beyond the possibilities of attainment, something of the sort is essential to the proper placing of orders and the allotment of the resources available.

The present Position.

6. Before considering the demands made, it is advisable to examine the present position in Russia, or rather the position in the spring. This can be deduced with sufficient accuracy from the statement supplied as to the present position and our knowledge of what will be available from Russian and other production between now and the end of March—material which should have reached the front by the time the weather permits of active operations.
The result is shown in the following tables in which the various natures of guns and howitzers are arranged in the categories agreed upon at the Paris Conference:

<table>
<thead>
<tr>
<th>Category</th>
<th>Guns</th>
<th>Howitzers</th>
<th>Total</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Mountain and field guns</td>
<td>7,852</td>
<td></td>
<td>7,852</td>
<td>Total field, I.</td>
</tr>
<tr>
<td>II. Guns and howitzers between and 6-in. calibre</td>
<td>903</td>
<td>1,495</td>
<td>2,398</td>
<td></td>
</tr>
<tr>
<td>III. Guns and howitzers of 6-in. calibre</td>
<td>570</td>
<td>563</td>
<td>1,133</td>
<td></td>
</tr>
<tr>
<td>IV. Guns and howitzers above 6-in. calibre</td>
<td>406</td>
<td>157</td>
<td>563</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>9,731</td>
<td>2,215</td>
<td>11,946</td>
<td></td>
</tr>
</tbody>
</table>

7. Taking first the field guns, Category I. The Russian establishment per division is 36, which is low, but, at the same time, as much as that of the Italian or German armies. All divisions are, however, not fully equipped even on this scale, and, in view of the method of employment of field artillery, it is not sufficient to consider only the proportion per division. The first duty of field artillery is to check any advance of the enemy’s infantry by its barrage fire. For such a barrage to be effective, however, 100 yards is the longest front which can safely be allotted to one gun, even with a real quick-firing gun, which the Russian field gun is not. The total number of field guns (including both horse and mountain artillery) is, however, only 7,852, and, taking the front as 1,800 kilometres, this gives only 4 guns per kilometre, without allowing for any guns at all being in reserve. The average front to be covered by each gun will, therefore, be nearly 300 yards instead of 100 yards, just given as the maximum for safety. It is true that we have sometimes stripped our front until guns were covering up to 150 yards, but this has only been done when either (i) the enemy’s power of taking the offensive had been paralyzed by attacks elsewhere; or (ii) when the risk was deliberately run in order to withdraw divisions for training, and these were, of course, available as reserves. For the purely defensive task of “holding the line,” the Russian field artillery is obviously quite inadequate, according to the standard prevailing on the Western Front. Moreover, the offensive has to be considered. For this, 1 field gun to 15 yards is considered a proper allowance, so that, for an attack on a front of, say, 20 kilometres, some 1,200 extra guns would be required.

A year or so ago there was some talk of the day of field artillery being over, and, in view of a possible tendency in the same direction in Russia, it is important to remember that heavy artillery cannot be considered a substitute for field artillery. As the result of our experience on the Somme, we are now increasing our field artillery beyond our present 48 guns per division, so that we shall soon have 20 per kilometre, while the French will have rather over 12.

8. As regards heavy artillery, it will be sufficient at present to consider Categories II., III., and IV. together; this gives a total of 4,094 guns and howitzers above field guns, or only just over 2 per kilometre, while the proportion on the British front is some 13 to the kilometre, and on the French front just under 10. Here again, therefore, the amount of heavy artillery per kilometre on the Russian front is very much lower than with either the French or British armies—only from one-fifth to one-sixth.

If, however, the number of guns per division is taken as a standard, the difference is not so striking. The Russians have now got about 27 guns of all sorts per division, just about the same as we had last July. It is true that our proportion has now risen to 38, while the French have 44, and the Germans in France over 50; but a general average equal to that with which we commenced the battle of the Somme cannot be considered entirely inadequate without further examination. From such an examination of the composition of the Russian heavy artillery it becomes apparent—

(a) That a very large proportion of the total consists of guns of very ancient date, e.g., out of 900 4·2-in. guns more than 300 are of the year 1877; out of 570 6-in. guns 370 are of the same date.

(b) That the proportion of guns to howitzers is much greater than is considered desirable by us, viz.:—especially in the most important classes—the 6-in., where the guns form 50 per cent. of the total, while in the heavier ratings they are over 70 per cent.

(c) That Russia is very short of howitzers of 6-in. and upwards. Of these she has only 720, while the figure for the British Army in France in October was 646, and the latter were almost entirely modern weapons.
Russian Requirements.

9. The Russian demands will now be considered in the same way. The actual organization which it is proposed to adopt is as follows:

Each Division — Field guns — howitzers
Each Army Corps — Medium guns — howitzers
Each Front — Heavy guns — howitzers
G.H.Q. — Heavy guns — howitzers

For the purposes of comparison this programme has been placed in the following table with those of the French and English, the guns being arranged in the same categories as in paragraph 6. The division has been taken as the unit, as being the least variable of the higher formations, but it must be clearly understood that this does not mean that all the guns included are allotted to divisions in the field army organization. This unit is only taken for purposes of comparison.

For the purposes of comparison this programme has been placed in the following table with those of the French and English, the guns being arranged in the same categories as in paragraph 6. The division has been taken as the unit, as being the least variable of the higher formations, but it must be clearly understood that this does not mean that all the guns included are allotted to divisions in the field army organization. This unit is only taken for purposes of comparison.

<table>
<thead>
<tr>
<th>Category</th>
<th>Guns</th>
<th>Hows</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Field guns</td>
<td>748</td>
<td>54</td>
</tr>
<tr>
<td>II. Guns and howitzers between the above and 6-in. calibre</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>III. Guns and howitzers of 6-in. calibre</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>IV. Guns and howitzers above 6-in. calibre</td>
<td>39</td>
<td>6</td>
</tr>
</tbody>
</table>

Total Field | 80 | 51 |
Total Heavy | 11 | 19 |

10. It cannot be said that the above is an extravagant programme in any way. It is obviously very much the reverse, especially in the medium guns and howitzers. It is particularly deficient in medium (6-in.) howitzers, which are almost universally looked upon as the most useful weapon for general purposes. But the total numbers required to complete this programme are very large, viz.:

<table>
<thead>
<tr>
<th>Nature</th>
<th>To be supplied</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Home</td>
</tr>
<tr>
<td>Mountain guns—not included in foregoing</td>
<td>3,340</td>
</tr>
<tr>
<td>Field guns</td>
<td>3,340</td>
</tr>
<tr>
<td>105 (4-2) guns</td>
<td>4</td>
</tr>
<tr>
<td>120 mm. guns</td>
<td>2</td>
</tr>
<tr>
<td>60-pr. guns (included with 6-in. howitzer)</td>
<td>2</td>
</tr>
<tr>
<td>4-3-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>4-8-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>6-in. guns</td>
<td>2</td>
</tr>
<tr>
<td>135 mm. guns</td>
<td>2</td>
</tr>
<tr>
<td>5-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>3-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>9-3-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>11-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>12-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>Anti-aircraft</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nature</th>
<th>To be supplied</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Home</td>
</tr>
<tr>
<td>Mountain guns—not included in foregoing</td>
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</tr>
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<tr>
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<td>4</td>
</tr>
<tr>
<td>120 mm. guns</td>
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<td>2</td>
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<tr>
<td>4-3-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>4-8-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>6-in. guns</td>
<td>2</td>
</tr>
<tr>
<td>135 mm. guns</td>
<td>2</td>
</tr>
<tr>
<td>5-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>3-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>9-3-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>11-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>12-in. howitzer</td>
<td>2</td>
</tr>
<tr>
<td>Anti-aircraft</td>
<td>2</td>
</tr>
</tbody>
</table>

* Ordered from France, Japan, and Italy—will permit of re-arming batteries now using 1877 model.
11. Before arriving at any conclusion regarding the extent to which we can assist in meeting these demands, it is necessary to examine the figures closely, and also to take into consideration the position at home as regards requirements and output. The points of special importance are—

(a) The use made of old pattern guns available in Russia.

(b) The percentage allowed for wastage.

(c) The natures which can be most easily supplied from England.

These will be discussed in the above order.

12. There is no doubt that the idea permeating the whole of the Russian administration is that only the most up-to-date material is of any value. This is quite obvious in any discussion. It was explained to the Russians how we ourselves, the French, and the Italians were all using our oldest guns on our fronts, some more antiquated than anything they have, and it was impressed upon them that if full use was not made of the older patterns the British Government would be disinclined to supply new guns. The Grand Duke Serge stated categorically that far from this being the case they were utilising everything they had got; that their old fortress guns could be seen in action on the Northern Front, and that the guns which used to form the armament of their field artillery were used on frontier posts, and for the defence of mountain passes in Turkestan, the Caucasus, &c. This is borne out by the number of old guns shown “at the front,” in paragraph 3. But it is a point to which special attention will be paid during visits to the front. As regards the number required to fulfil the “programme” given in paragraphs 9 and 10 no account is taken of such guns as the 90 mm. field guns given by the French, or of the Russian 6-in. guns of 120 and 190 poods (date 1877). In defence of this omission the Russians urge that it is not economical to recommence the manufacture of ammunition of old natures, which had ceased to be made, and our own experience confirms this.

13. It will have been noticed that a very large proportion of the above demands is for wastage. The figures are quite beyond anything in our experience, but on being challenged on this point the Russian authorities were able to produce figures showing that their figures were based on their actual experience in this war. For technical reasons, which would be out of place here, there is no doubt that their guns, and more especially their howitzers, wear out much more rapidly than ours. But we are chiefly concerned with the replacement of our own guns, and the figures given were admittedly based on their own experience with their own, and can therefore be largely discounted. With the amount of ammunition being supplied it is not likely that any of our howitzers will be worn out before next winter, while as regards the 60-prs. the position at home will not admit of any number being sent to Russia.

14. As regards the natures which can be most easily supplied the following are the governing factors:—

(i) Owing to the enormous increase in the expenditure of field gun ammunition contemplated by G.H.Q., and provided for by the Ministry of Munitions, the total output of guns of this nature in England will probably prove insufficient to maintain in the field the guns with the army in France. No field guns can, therefore, be made available for Russia. We have, however, already arranged to supply a certain number of cradles and tubes, and these promises will be fulfilled. It is very desirable also that the number of cradles should be increased, if possible, as guns and carriages are available in Russia, and only require these to complete.

(ii) Owing to the great urgency for providing 4-in. guns to arm merchant ships the programme of gun construction has been entirely upset, and the production of long guns (such as 60-pr.) greatly curtailed. It is therefore desirable to avoid, if possible, diverting any of such natures to Russia.

15. The question of utilising howitzers of over 6-in. calibre under the conditions prevailing on the Russian front has been considered. There seems no doubt that great difficulty will be experienced in the transport of these heavier natures and of their ammunition. On the other hand, the Grand Duke Serge when pressed on this point was emphatic as to the necessity for such natures, owing to the strength of the German defences. This again is a point which will be particularly inquired into at the front, but in view of the small number of heavy howitzers which the Russians have got it appears advisable to assist them with a small number of 8-in. and 9.2-in.
A special request was made for a few 12-in. howitzers, but in view of the short life of these in France there seems no possibility of providing these.

16. It is now possible to arrive at certain general conclusions as to the direction which any assistance which we may give to the Russian artillery should take. These may be stated as follows:

(i) The number of field guns at present available in Russia is quite inadequate for the defence of the front, and the proposed increase to 54 guns per division is justified. It is, however, impossible for Great Britain to help except with cradles.

(ii) The number of field howitzers required for new formations is reasonable, but the number demanded for wastage is excessive. It is recommended that we undertake to send another 50 4·5-in. as soon as Archangel opens to cover damage from shell fire and accident, and that we also undertake to replace during the winter any worn out during this year's campaign. The position at home does not permit of any general increase in the number of these howitzers, but the output of the Russian factories in 4·8-in. should soon suffice to provide the full equipment required.

(iii) Both in the present position and in the programme put forward there is a marked deficiency of medium and heavy howitzers, and especially of 6-in.

SECTION B.—AMMUNITION.

17. The demands put forward for British type guns were based on exaggerated gun demands and showed a deficit below requirements; but it was agreed by the Grand Duke Serge that the scale on which the War Office proposed to ration the guns from England will be adequate.

18. The quantity of ammunition which should be supplied on this basis for the guns to be in the country by the end of March should amount to the following. This includes 10,000 4·7-in. and 10,000 12-in. British type high explosive shell, which it is thought will be suitable for the 120-mm. Vickers gun in Russia and the Obukhov type of howitzer. Drawings of all these shells are being sent out in order to verify this point. They will be provided filled and fuzed. This ammunition should be shipped by the 1st May in order to be ready for the guns in June.

<table>
<thead>
<tr>
<th>Amount of Ammunition to be shipped by 1st May.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rounds.</td>
</tr>
<tr>
<td>4·5-in.</td>
</tr>
<tr>
<td>60-pr.</td>
</tr>
<tr>
<td>6-in. howitzers</td>
</tr>
<tr>
<td>8-in.</td>
</tr>
<tr>
<td>9·2-in.</td>
</tr>
<tr>
<td>8-in. Vickers</td>
</tr>
<tr>
<td>12-in.</td>
</tr>
<tr>
<td>4·7-in. shell</td>
</tr>
<tr>
<td>12-in.</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

19. The quantity of ammunition to be supplied before the end of the year 1917 would amount to 169,000 tons.
The details of this total ammunition to be supplied are as follows:

<table>
<thead>
<tr>
<th>Artillery Type</th>
<th>Rounds</th>
<th>Weight in Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5-in.</td>
<td>2,000,000</td>
<td>50,000</td>
</tr>
<tr>
<td>6-in. Howitzers, 100 per gun per week on 100 guns for 9 months and on a further 96 guns for 3 months.</td>
<td>402,800</td>
<td>14,000</td>
</tr>
<tr>
<td>6-in. Howitzers, 75 per gun per week on 48 guns for 9 months, on a further 100 for 6 months and on 48 more for 3 months.</td>
<td>380,000</td>
<td>14,000</td>
</tr>
<tr>
<td>9.2-in., 75 per gun per week on 20 guns for 9 months and on a further 24 for 3 months.</td>
<td>82,000</td>
<td>14,000</td>
</tr>
<tr>
<td>12-in. Vickers at 1,000 rounds a week</td>
<td>55,000</td>
<td>6,000</td>
</tr>
<tr>
<td>12-in.</td>
<td>24,000</td>
<td>10,000</td>
</tr>
<tr>
<td>120-mm. (4.7-in. Vickers)</td>
<td>1,000,000</td>
<td>300</td>
</tr>
<tr>
<td>12-in. Shell (British type)</td>
<td>10,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Total</td>
<td>3,474,800</td>
<td>169,300</td>
</tr>
</tbody>
</table>

* Shell only—H.E. filled and fused.

To these should be added 152,400 tons of completed ammunition from France, of which from a quarter to one-third are to be provided before May. 180,000 tons of American ammunition are also due for delivery, but as this consists of 3-in. shell, the stocks of which are adequate, it should not be sent by the Murman railway.

20. In connection with these ammunition demands, it should be noted here that Russia has made preparations for a very considerable increase in her output of shell, particularly in the heavier calibres, but in order to carry out this programme, it is essential that she should import shell steel from abroad. Many factories which are capable of turning out large quantities of shell, already stand idle for many days together for want of material, and while this is to some extent due to transport difficulties, it is mainly due to a real shortage of steel. The proportion of Russia's steel output which is made into shell steel is very considerable and is increasing at the expense of the output of rails and other steel requirements. Any further increase in the quantity of shell steel manufactured which was not accompanied by an actual increase in the gross steel output would have very harmful effects. It is, however, impossible to obtain shell steel abroad; in every allied country the output of shell is now limited by the shell steel output, and if Great Britain were to send shell steel, our output of steel would have to be reduced.

21. If the fighting on the Western front continues of the same intensity throughout the 1917 campaign as on the Somme, it will be impossible for us to cut our shell output at all without affecting the supplies required in France. The deficiency in Russia is, however, so acute that it is suggested that we should arrange to send Russia a regular supply of, say, 4,000 tons a week, from May onwards.

It has been suggested by the French Mission that it would be desirable for us to send rails to Russia and let Russia concentrate her whole output in the making of shell steel, but the change over from shell steel output in Great Britain to rails would involve delay.

22. In considering whether there is any advantage in Great Britain or France giving up steel to enable Russia to make shell, or making rails to enable Russia's transport system to be improved, an important factor is that of time. Steel sent to Russia now will pass through Archangel from June onwards, and in view of transport delays would not be likely to be ready as shell before September or October, while rails laid at that time would hardly affect this year's operations and munition supplies, with the exception that rails might be ready at the front for an autumn advance. British and French steel, on the other hand, if made into shell at home, will be available on the Western front in the form of finished munitions by the early summer.

23. On the other hand, delay is undoubtedly justified if it means that at a late period of the year, or even in 1918, instead of having the Western Armies over-supplied with ammunition which the guns are incapable of firing, and a famine in ammunition on the Eastern front, the Western front had a slightly less but fully adequate supply while the very large resources of men on the Eastern front have a sufficient munition supply to make their work effective.
24. Moreover, we are now regularly supplying the French with some 12,000 tons a week of shell steel, whilst to the Italians we are sending nearly 2,000 tons a week during the first quarter and shall probably have to continue throughout the year. But we are only sending Russia completed munitions for the guns we ourselves produce.

24. A convention with Russia to supply her with 4,000 tons for six months from June 1st onward would be a very great assistance to her, and, though it would limit our resources somewhat, could probably be done without very harmful effects. This form of assistance, moreover, would probably be better than increasing indefinitely the supply of British type artillery and munitions, for Russia’s output of 4·5-in. howitzers and 6-in. howitzers is fairly satisfactory and will doubtless improve. These types are short of ammunition, whereas at home we are making an amount of shell which may possibly prove more than the guns can ever fire.

25. The alternative to sending shell steel would, of course, be to make shell of Russian pattern and send it in the form of shell. The Ministry of Munitions would probably prefer to do this as it would keep our factories fully at work in the event of their being called upon to return to British type work. On the other hand, the Russian machining capacity is considerably in excess of Russia’s output, and as these factories already have the tools for Russian type shell, it would be most economical for them to be made in Russia. This question, however, is referred to below, under the heading of metal requirements.

SECTION C.—TRENCH MORTARS.

26. There is no doubt that the branch of the artillery in which Russia is most behindhand is that of trench mortars. What are called by them “canons de tranchées” are small guns of various calibres from 37 mm. to 3-in., mostly taken from the defence of ditches in fortresses. These are supplied for infantry for use against machine guns, in the same way as the French 37 mm. “canon d’accompagnement,” and would be called by us “infantry guns.” They have not, however, been adopted in our service, and need not be further considered.

27. As regards trench mortars proper, or “lance mines,” as the Russians call them, they are in possession of a considerable number of the old French Dumezil type, while several other types, some possessing original features, have been evolved in Russia, and a few specimens made for experimental purposes. But no attempt whatever appears to have been made to organise trench mortar batteries; all that has been done is to issue the weapons available to infantry regiments. In fact, the position is very much what it was in the British Army in the winter of 1914-15, the days of the old “gas-pipes.” The results attained have been consequently insignificant, and the trench mortars are naturally very unpopular and rarely used. And yet with its present shortage of heavy artillery an adequate equipment of efficient mortar batteries would be of inestimable value to the Russian Army, especially for wire cutting. But our own experience, and that of our Allies, and especially of the Italians, shows clearly that to obtain good results with these weapons organisation and training are of primary importance. It is probable that the 3-in. Stokes mortars could be used by the Russian infantry—one has already been tried and liked in Russia—but it seems little use providing heavier types unless with a clear understanding that Russia intends regularly to organise a branch of the artillery to man them, as has been found necessary in all other countries.

28. As regards requirements, the Russian demands from us are entirely for the heavy natures. Of these, the total to be provided is 2,400, of which it is proposed to make 120 in Russia (of 89 mm.), and to obtain the remainder from us in the shape of the 9·45-in. (long).

We have ordered 300 heavy trench mortars in addition to the 30 allocated to Russia by the War Office. We hope to deliver these by the end of May. Russia is asking for 1,930, but in view of probable improvements in type it would seem undesirable to order more than these 300 of the 9·45-in. type. We are supplying 150,000 rounds of ammunition, which should be supplied with the mortars, and could continue a supply of, say, 10,000 a week during the last half of 1917, or, say, 330 mortars and 410,000 rounds in all as compared with a demand for 1,930 mortars and 900,000 rounds. The mortars could, if desired, be increased during the last half of the year. This proposal involves about 28,000 tons, of which about 11,000 should be available for shipment before the summer.
29. It is recommended that the Home Government be asked to send out at once 50 each of the 2-in. trench mortars and of the 3-in. Stokes, with a supply of 500 rounds per gun for the 2-in. and 1,000 for the Stokes. This supply would be ample to demonstrate the use and effectiveness of these weapons, and to permit the Artillery Department here to decide whether it would supply these itself.

Neither of these types are really difficult to make, and it is important, in view of the transport situation, that if it is in any way possible these should be made in Russia. If they cannot be made in Russia, and transport facilities are available, we could keep up an appreciable supply of both these after Midsummer, but for the present it is suggested that Russia should endeavour to turn these out herself.

SECTION D.—AVIATION.

30. In view of the close connection between the work of artillery and aeroplanes, it has been considered most convenient to deal with aviation in the chapter devoted to artillery. Aeroplane observation is essential for modern artillery methods, and this means not only good observers, with wireless machines and wireless ground stations, but fighting machines to act as escort to them. At present it is not too much to say that there is almost an entire absence of co-operation between aeroplanes and artillery. In a few cases where they work together the methods are old-fashioned and cumbersome. In consequence, time and again the Russian infantry have been forced by the German artillery fire to abandon positions of great importance gained at great cost. We have learnt by many a bitter experience that to maintain a position the first essential is an efficient system of counter-battery work, and the foundation of counter-battery work is co-operation with aeroplanes. For this reason alone it will be of little benefit if we provide the Russians with artillery material unless we assist them at the same time with aeroplanes.

31. The Russian aviation demands are considered on the whole to be fairly modest, and only amount, as far as Great Britain is concerned, to 130 machines in the first half of the year, and 685 motors. We are asked to bring this number up to 800 machines and some 3,000 motors (of which many will come from British orders in France) in the second half of the year. It is possible that some of these items for the second half of the year may even be brought forward into the first half, and if Major Valentine's work is Moscow is to be really effective, every effort should be made at home to get the machines out as soon as possible.

The tonnage involved in the first half year's supply is 61,000 tons for engines and motors, and nearly 10,000 tons for additional equipment, the total equipment for the year from all countries amounting to 220,000 tons. These figures include machines to be supplied by France and Italy, which are more numerous than ours.

It is of great importance that aeroplanes sent out from home should be complete in every respect, including machine guns, and that 75 per cent. should be equipped with wireless apparatus.

32. The Russians are, in addition, asking for 1,600 Vickers machine-guns to fit on other type aeroplanes, while the Navy asks for a further 500 Vickers machine-guns for seaplane work. It is possible that all of these could be supplied in the second half of the year; the numbers to be supplied in the first half to be limited to the guns to be put on aeroplanes supplied with complete equipment.

33. An adequate supply of wireless ground stations is also an essential portion of the machinery for ensuring co-operation between artillery and aeroplanes. These should be provided at the rate of one per heavy battery, one per group of field artillery (including field howitzers), and two for each corps for use by commanders. This will amount to:

<table>
<thead>
<tr>
<th>Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy artillery</td>
<td>500</td>
</tr>
<tr>
<td>Field</td>
<td>750</td>
</tr>
<tr>
<td>Corps</td>
<td>150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,400</strong></td>
</tr>
</tbody>
</table>

The tonnage involved in the dispatch of the material dealt with in the present and preceding paragraphs is inconsiderable.

SECTION E.—EXPLOSIVES AND PROPELLANTS.

34. Russia has at the present moment a fairly large stock of explosives and propellants, due to the fact that her purchases, together with her output, have
exceeded her ammunition output, which, as in the case of every other country, has hitherto been below programme. But explosive and propellant stocks disappear very rapidly when once the output of ammunition, and particularly of heavier nature, begins to rise, and at a conservative estimate which has been supplied to us by the officers of the French Mission, the explosive stock will have disappeared by April and the propellant by May. Even after allowing for normal deliveries from abroad, it is evident that foreign supplies of propellant and explosive are essential if Russia is to maintain even a reasonable increase in ammunition output, and nothing that Russia can do during 1917 will have much effect in increasing her home production.

35. As regards propellants, Russia asks for 45,000 tons during 1917, but in view of the difficulty of completing Russia's shell programme this seems too high. It would appear to be reasonable to supply her with 30,000 tons, the estimate of probable requirements made by the French Commission varying from a minimum of 1,500 to a maximum of 3,000 tons a month. Capacity is available for this amount from Messrs. Dupont, but the Treasury has not sanctioned orders after 31st March. A wire should, it is thought, be sent at once indicating the position and asking the Treasury for further sanction. The Treasury is awaiting our report on this point.

The Navy are also asking for 1,800 tons during the year, but it is understood that naval stocks are very large, and it is suggested that the Russian Government should be told that 30,000 tons will be financed from America during the year, and that, if necessary, the Navy must endeavour to obtain an allocation from the Ministry of War.

36. In connection with this propellant situation, it was pointed out by the British delegates that if the programme, as put forward, were carried out, the Russian requirements would be met to the extent of no less than 70 per cent. from American supplies.

It was urged that this position was one which should cause grave anxiety on political, financial, and military grounds. Great Britain had recently been in a similar position. The cost of maintaining these supplies was enormous, and, so long as we were so dependent upon Messrs. Dupont, America had the power of practically stopping our ammunition output, and this necessarily affected our diplomacy in dealing with America.

Further, the stoppage of American shipment on account of submarine danger, strike, or any other cause, would reduce our programme by one-half. For these reasons, Great Britain was now taking steps to erect an enormous propellant factory, with an ultimate capacity of 1,000 tons per week, and the construction of this factory was receiving priority over every other munition work in England.

The attempt to become independent of America would, however, be nullified if Russia should find herself in the autumn of this year in a practically similar position.

37. The result of the discussion of this point was the suggestion that Japan should be strongly urged to place the whole of her capacity for output at the disposal of the Allies, including even her Government factories. It was also suggested that a financial conference should discuss the possibility of developing the output of propellants and other munitions from Japan. It is suggested, in this connection, that a Japanese representative should be asked to attend, and this question raised in full conference. It is true that the Vladivostock route into Russia is badly congested, but Mr. Bury may be able to make suggestions to alleviate the difficulty, while, if Japan could send some engines and rolling stock to Russia, a considerable quantity of goods might be carried. Moreover, the sea route is free from submarine danger, which is of special importance for ships carrying explosives, while Japan may also be induced to organise a quick service of ships.

38. As regards explosives, Russia is asking for a considerable quantity of trotyl, which probably cannot be supplied. The Artillery Department is using Schneiderite, which is an explosive diluted to the extent of 85 per cent., with nitrate of ammonia for 3-in. shell and a dilution of 50 per cent. for shell of higher calibre. If Russia develops her heavy gun ammunition output, she will probably have to use a more dilute explosive than 50 per cent. nitrate of ammonia.

Sufficient information is not available here to enable a definite allocation of explosives to Russia, but between two and three thousand tons a month will have to be supplied either by France or by ourselves.

* There was no opportunity of carrying out this suggestion before the Mission left Russia.
The most serious consideration in this connection is, however, that of Chili nitrate for the manufacture of nitrate of ammonia, the requirements of which amount to from 10,000 to 12,000 tons a month. This must be brought from Chili to Vladivostock, and complaint is made that the sailings are becoming very irregular since they have been controlled by the British Admiralty. At the moment there is only six weeks' stock in the country. These shipments require special consideration at home.

SECTION F.—HARNESS AND TRACTORS FOR ARTILLERY.

39. The requirements of the Russian artillery\(^2\) as regards harness and saddlery are very large, viz., over 80,000 six-horse sets of harness and 20,000 saddles (in addition). Of these, home manufacture will provide nearly 40,000 sets of harness and 9,000 saddles, and France will contribute 3,500 sets of harness and all the saddles. There is thus left nearly 40,000 six-horse sets of harness to be obtained elsewhere.

It was explained to us in support of this very large demand—

(a) that in view of the scarcity of railways and of good motoring roads it is necessary to keep a larger reserve of ammunition in horse-drawn ammunition columns and parks than is required in France;

(b) that in the great movements which have taken place on the Russian front the artillery has had to march very great distances, and that the harness is now very much worn out.

40. Both the Grand Duke Serge, as representing General Headquarters, and General Manikovski, Chief of the Artillery Department at the War Office, impressed upon us the real seriousness of the position as regards artillery harness, and made very urgent appeals for assistance. It was explained that we were not in a position to make any promise in the matter, but that the facts would be put before the War Office on the return of the Commission to England.

41. Tractors, &c.—Probably 800 Ruston and Clayton tractors can be supplied during the year out of 1,650 asked for. These are already on order and it is not thought they will be interfered with by W.O. work, unless it is by an increased demand for tanks. Nearly 5,000 tons weight is involved.

Three hundred F.W.D. will also be supplied, but no further demands can be met.

These combined will probably meet the requirements of the Artillery Department, as the full demands are based on a heavy gun equipment which cannot be provided. One hundred of each type should, if possible, be sent through by May. This means a tonnage of 1,200 tons. There are believed to be a certain number of lorries at Archangel and some more due on order from America. But it is doubtful if we can supply any appreciable number more by May.

42. The Russians are finding considerable difficulty in getting competent drivers, and ask that we should if possible send a few good men who would be able to act as instructors both in driving and in the repair work which a driver should be able to do himself.

SECTION G.—MURMAN RAILWAY.

43. The portion of the preceding items, viz., artillery and artillery ammunition, aeroplanes and equipment, trench mortars and ammunition, propellant and tractors, &c., which should be shipped by May, amounts to about 146,000 tons.

The Murman Railway has carried about 1,800 tons to date, and during the next four months will probably carry some 40,000 tons, and might conceivably handle 80,000 tons.

As the estimate of the capacity of Romanof this winter of 230,000 tons made by the Russian Government is considered by all our advisers to be far too optimistic, it is

* Transport harness is dealt with in Chapter V., Section C., para. 102.
suggested that, in order to avoid confusion and delay, it should be made a condition of our assistance that this line should be exclusively reserved for these items and that the British authorities should be immediately cabled to load nothing else for Romanof from now onwards.

SECTION II.—ROUMANIA.

44. As regards Roumania, the agreement between the British and French Governments was that the Roumanian requirements should be communicated by General Berthelot to the French Government, and that the latter should then pass on to the British Government such portions as they were themselves unable to meet.

The scheme drawn up by the French Military Mission for the reorganisation of the Roumanian artillery has been discussed with General Berthelot and is included in the comparative statement given in para. 9. Under the agreement referred to above the following have been demanded from England by France to complete this programme:

- 165 6-in. howitzers.
- 105 4.5-in. guns.
- 88 105-mm. guns.

No objection can be made to the proposed scheme of reorganisation on the score of extravagance, and the French are supplying the guns required to complete the field artillery. This is essential before the Roumanian divisions now reforming can take the field.

45. But the position as regards heavy artillery is very different. The Roumanian army occupies a small section of the Eastern front, and, as pointed out in para. 8, the total amount of heavy artillery at the disposal of that front is very inadequate. Under these circumstances it would, on purely military considerations, be inadvisable to reduce the value of the comparatively small amount of heavy artillery which we can afford to give by earmarking any portion of it to the Roumanian army. The whole front should be treated as one. But it appears to have been represented in Roumania that the British Government is pledged to give them 25 6-in. howitzers. But this seems to be due to a misunderstanding which needs to be cleared up.

As regards field howitzers, in view of the demands for 4.5-in. howitzers in other directions, it is not recommended that any of this nature should be given to Roumania. But Russia is prepared to cede to Roumania the 32 5-in. field howitzers provided by Great Britain last year, and these should prove a valuable addition to the strength of the Roumanian Army.

For the reasons given in para. 14 (ii), any provision of 105-cm. guns is out of the question. This has been explained to General Berthelot.

46. Railway transit facilities for 120,000 tons of munitions in 1917 have been promised to Roumania by the Russians, and this is all that can be imported in execution of General Berthelot's scheme of re-armament, the total of which would require a very much greater amount of tonnage. It is, therefore, evident that even if we could provide the howitzers asked for, it could only be at the expense of other munitions.

CHAPTER II.—SMALL ARMS, &c.

Rifles.

47. The demand for rifles has been reduced, and in the latest statement presented it appears that England is no longer expected to supply any rifles from British American contracts. In any case the demand for rifles could not have been given priority. The British American supply would have been forthcoming by next Christmas, and if America enters into the war the rifle factories will almost certainly be commandeered; nothing, therefore, could in any case have been allowed for rifles.

* This demand is not understood.
† This was subsequently confirmed by the Minister of War.
S.A.A.

48. Small arms ammunition is, however, a serious item. The Russian demands are on a scale which is extremely liberal, and the Minister of War was invited to consider the possibility of cancelling some of his American orders. But he is unwilling to do so until the output from England reaches 200,000,000 a month of Russian type.

The small arms ammunition to be supplied from England and America will weigh about 83,000 tons.

Machine Guns.

49. As regards machine guns, Great Britain is asked to supply about 2,400 Vickers guns and 650 for the Navy, while some Lewis guns will be supplied on British aeroplanes. This demand for the aviation type of Vickers gun can probably be met during the year.

There are no other demands except those for which arrangements have already been made, with the exception of fusils-mitrailleuses which are being asked for from France to the number of 90,000. We cannot yet say what answer will be given in respect of these.*

Pistol Ammunition.

50. The request to continue a contract for Browning Automatic Pistol ammunition will be considered. The weight involved is small.

Optical Instruments.

51. As regards optical instruments, there is little hope of supplying rangefinders from England in view of the great shortage at home—except as regards batteries sent from England which will have their proper allowance. The A/A position is especially bad.

The demand for 124,000 binoculars, &c., in America probably cannot be met in full, but some could be supplied.

We may be able to arrange for perhaps a third, but the demand should be put forward in full. The War Department should, however, be warned that the American glasses are far inferior to those in use in the Russian Army. The type should be agreed to in Russia before the order is placed.

The total value of the optical instruments† asked for amounts to 15 million roubles, and the weight to 300 tons.

Signal Lights.

52. The Russians seem to have been much impressed by the signal lights of our manufacture, which they have seen. Hence the large demand. It was explained to them that we could only supply of our own service pattern, and that it was not probable that we could spare as many as they have asked for; but that we could help them considerably. The weight, 2,000 tons, value 4,300,000 roubles. But we cannot give any dates for delivery. They will probably ask permission to send an expert to see our methods in England, especially as regards manufacture without aluminium.

53. Eighty-six Vincent Flame Projectors are on order in England. This is an article with which we have obtained no success, though special efforts were made to use them in the Somme offensive. Moreover, the Vincent is probably the least suitable of the types which have been experimented with. This is an instance of the way in which orders have been placed on the advice of irresponsible individuals referred to in para. 133. It is in every way undesirable that money should be spent and still more valuable tonnage taken up with useless articles. The matter has been represented to the Artillery Department.

* As France could not offer more than 2,400 to meet this demand, we were subsequently asked for as many Lewis guns as could be spared of Russian calibre. We were not able to offer any more than the existing order for 5,000.
† The Artillery Department have arranged to examine some American binoculars and communicate with General Poole.
‡ It was subsequently agreed that Russia should have the output of the British Hotchkiss Company, which should yield for Russia at least 5,000 guns this year.
CHAPTER III.—METALS.

54. Demands were made for the following supplies of metals to be imported:

<table>
<thead>
<tr>
<th>Métaux Noirs</th>
<th>Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel and iron bars, blooms, billets and cast iron</td>
<td>1,037,000</td>
</tr>
<tr>
<td>Rails</td>
<td>351,000</td>
</tr>
<tr>
<td>Wire</td>
<td>112,000</td>
</tr>
<tr>
<td>Other items of steel and iron</td>
<td>163,000</td>
</tr>
<tr>
<td><strong>Total “métaux noirs”</strong></td>
<td><strong>1,663,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Métaux “blancs et rayés”</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td>104,300</td>
</tr>
<tr>
<td>Lead</td>
<td>80,000</td>
</tr>
<tr>
<td>Tin</td>
<td>9,000</td>
</tr>
<tr>
<td>Zine</td>
<td>44,000</td>
</tr>
<tr>
<td>Antimony</td>
<td>6,400</td>
</tr>
<tr>
<td>Nickel</td>
<td>4,600</td>
</tr>
<tr>
<td>Aluminium</td>
<td>17,100</td>
</tr>
<tr>
<td>Various ferrous metals</td>
<td>19,500</td>
</tr>
<tr>
<td>Other metals</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>289,900</strong></td>
</tr>
</tbody>
</table>

**Grand Total** | **1,952,900**

55. The figure for “métaux noirs” represents a reduction on requirements from abroad which are put at 2,700,000, but reduced in view of the impossibility of obtaining transport for so large a quantity. The present figure will, however, be again divided by the Department into three parts in order of urgency. It is said that none of these demands can be met from Sweden, as Germany has purchased all the available supplies.

Russia’s anticipated output in 1917 of the above classes of “métaux noirs” is as follows:

<table>
<thead>
<tr>
<th>Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel, iron, blooms, &amp;c.</td>
</tr>
<tr>
<td>Rails</td>
</tr>
<tr>
<td>Wire</td>
</tr>
<tr>
<td>Other items</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

56. One million one hundred and sixty thousand tons are required from home and abroad for shell steel. This quantity is needed for a period of 16 months, i.e., at the rate of about 17,000 tons a week. It is proposed to obtain this as follows:

<table>
<thead>
<tr>
<th>Home Output</th>
<th>Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tons.</td>
<td>Tons.</td>
</tr>
<tr>
<td>3-in. shell</td>
<td>200,000</td>
</tr>
<tr>
<td>Large shell</td>
<td>280,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>460,000</strong></td>
</tr>
<tr>
<td></td>
<td><strong>1,160,000</strong></td>
</tr>
</tbody>
</table>

It is, however, quite impossible to import so large a quantity as 700,000 tons of shell steel into Russia, and unless Russia’s ammunition programme is to be reduced, means must be found to increase the home output.

* This has not yet been done.
57. At the end of this chapter a short statement is attached summarising the conclusions of those members of the French Mission who have studied this question, from which it appears that, by the adoption of the mono-bloc process of shell forging, a saving of 20 per cent. in the steel consumption would be secured; while an improvement in organisation in the Donetz region will, it is believed, have the effect of increasing output by about 40 per cent.

It is suggested that the proposal of the French Mission to ask for the appointment of some one person in charge of the whole Donetz coal and iron transport, and the distribution of coal in that area should be pressed upon the Russian Government by the present Mission.

58. There is, moreover, the question of labour. The Minister of War stated, and all our other information confirms the fact, that the output of munitions has been seriously affected by the indiscriminate calling up of men to the colours. There appears to have been a system of card exemptions in the towns, but this has not appreciably affected the industrial, mining and steel manufacturing districts. In the Donetz region the men have been replaced by prisoners, and it is said that in the case of the Austrians in South Russia they work fairly well with the Russians. But the shortage of labour is still acute, and is, of course, most acute as regards skilled men.

59. Efforts are now being made to obtain releases from the colours, but so far with only modest results. As in all countries, the generals are unwilling to spare their best men, while the scheme in operation is one for the release of named individuals—a method which was tried in England in 1915 and abandoned after a couple of months. Frequently, the men could not be traced to their units, were dead, captured or in hospital, or, when found, proved to be a namesake of the real man required. The Ministry of Munitions, therefore, with the help of the War Office, put into force a scheme for "releases in bulk," under which men of specific occupations were paraded and examined by a travelling commission consisting of an officer from the War Office, a Member of Parliament who was frequently able to overcome the reluctance and even enlist the sympathy of the C.O.'s, and a labour investigator competent to deal with the credentials of each man. Under this scheme 30,000 skilled or semi-skilled men have been brought back to industrial work.

60. The output of coal and steel is limited by transport facilities; but even if this can be overcome by improving wagon circulation, the output would still be kept down by lack of labour. With a moderate increase in the number of skilled men at work it is believed that the output of steel (which could be used for either shells or rails) could be increased in the Donetz region by 25 per cent., and the output of coal possibly a larger proportion. It is therefore suggested that the Russian Government should be strongly urged to release suitable men from the colours in large numbers.

It is also understood that there is a certain amount of labour inadequately employed in factories which are short of work. If this is the case, some advantage might be gained if such men were enrolled and transferred under a War Munition Volunteer scheme.

61. It is suggested that if improvements can be made in the organisation of labour and in the organisation of industry in the Donetz area itself, the British Government should offer to supply shell steel at the rate of 4,000 tons per week for six months, and that this undertaking should be conditional upon steps being taken to improve the Russian output. It is, however, not to be anticipated that the increase in output will be effective at once, which makes it all the more important that the assistance to be rendered should begin immediately Archangel opens.

It is not thought that any other assistance as regards black metals can be given, except, possibly, as regards steel rails. This point will be dealt with in the next chapter.

62. The importance of the development of Russia's own resources cannot be too strongly insisted on, as Russia is the only one of the Allies which has really large resources in rich iron ore. The relative output of munitions of the Allies and the Central Powers is in a large measure determined by their resources in steel. France's ore fields have been captured by the enemy, Italy has practically no ore resources at all, while Great Britain has to carry half her ore supplies from Spain through
submarine-infested seas. Russia is the only country which is completely self-sufficient in this respect, and yet her output of steel is declining, and she is endeavouring to obtain large importations. If the war continues into 1918, Russia's steel output will become a vital factor.

63. As regards other metals, about half of the copper demand is being met by purchases for Russia in America, Australia, and Japan. The Russian production is anticipated to be 25,000 tons, but it was subsequently stated that an additional 5,000 tons would be available from the Caucasian mines. It is not practicable to get anything like the quantity asked for abroad, and here again Russia must develop her own production as far as possible.

In this connection, the Artillery Department have been urged to make economies in the use of copper by reducing the amount used in copper bands, by considering alternatives as regards fuzes, and by diminishing the use of brass vide para. 66. The British and French Governments have made a formal representation to the Russian Government that as the two former countries have had absolutely to prohibit the use of copper in non-war work, Russia should do the same.

64. Of the other metals, lead and tin are both difficult to obtain, but further quantities could probably be purchased if the orders already placed should prove insufficient. Zinc is already being arranged for to the extent of at least half the total requirements. The demand will be reduced if Russia is able to economise in brass, while the careful utilisation of swarf in the factories may, perhaps, enable the requirements to be kept low. It is suggested that 30,000 tons for the whole year represents a fully adequate supply.

The demand for nickel can be reduced, while aluminium can only be supplied to the extent of 4,500 tons during the year. This represents the same allocation to Russia as has already been made to the various users of aluminium in England. Russia will probably accept this, as she is shortly starting the manufacture of aluminium.

The ferrous metals are already practically arranged for.

65. To sum up, it is suggested that an endeavour should be made during 1917 to supply the following in addition to steel rails:

<table>
<thead>
<tr>
<th>Metal</th>
<th>Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shell steel</td>
<td>100,000</td>
</tr>
<tr>
<td>Copper</td>
<td>60,000</td>
</tr>
<tr>
<td>Lead</td>
<td>60,000</td>
</tr>
<tr>
<td>Tin</td>
<td>5,000</td>
</tr>
<tr>
<td>Zinc</td>
<td>30,000</td>
</tr>
<tr>
<td>Antimony</td>
<td>5,000</td>
</tr>
<tr>
<td>Nickel</td>
<td>2,000</td>
</tr>
<tr>
<td>Aluminium</td>
<td>4,500</td>
</tr>
<tr>
<td>Fontes speciales</td>
<td>15,000</td>
</tr>
<tr>
<td>Other metals</td>
<td>281,500</td>
</tr>
</tbody>
</table>

These figures only involve small additional orders for zinc, antimony and nickel. When, however, the Russians have had time to reconsider their programme in the light of the arrangements now being made they may wish to modify some of these items. The above distribution should, therefore, be regarded as provisional.

66. Economy of Metals.—There is no doubt that the Russians have not, up to date at any rate, really even considered the question of economy of metals. Their first and most glaring instance is in their use of "case" ammunition. All their guns and howitzers of modern type are provided with these even up to 8-in. and 12-in.(?) howitzers. That for the 6-in. gun weighs lbs. There is no thought of even trying steel cases as the Germans have been doing, or of reducing the size of driving bands to save copper. In fact, the whole idea of the necessity for economy in such matters seemed strange to them. They have, however, certainly changed from aluminium to brass for some of their time fuzes, though they are still making their fuze covers of aluminium. The possibility of using cast iron for fuzes had never occurred to anyone, but when it was suggested they appeared quite ready to take it up. For this, however, an
expert would be required who knew the sort of cast iron required, and the way to work it, and the Chief of the Artillery Department said that he would take it as a great favour if we could send him such a man from England. Generally speaking, however, the point of view is the same as has been alluded to in para. 12, to insist on the highest possible quality throughout. This is well exemplified in the Russian note on the French proposal to use "fonte acieree" for shells.

67. But if the Russians are extravagant in using only the best, they are careful as regards recovery of fired ammunition cases, &c. The rules as regards the return of fired cases appear to be much stricter than with us, and they have a regular salvage organization at work at the front which brings in all sorts of metals, including steel. This is a matter which will be more fully reported upon after its actual working has been seen at the front.

In connection with the supply of metals, the following conclusions arrived at by the members of the French Mission on the steel situation are of interest.

68. How can the production of steel be increased?—The works in the South could, with their present facilities (blast furnaces, steel works, rolling mills), produce about 40 per cent. more steel than they do at present. However, they are short of coke. Work is continually interrupted, and the restarting each time necessitates an extra consumption of fuel.

Cause of the lack of coke:
(1) The big mines lack skilled workmen, who should be brought back from the front.
(2) There are too many small mines working—and working badly—who supply inferior coal and uselessly absorb too much labour.
(3) Transportation is bad; the coal lies at the mine head and impedes the working of the mines.
(4) The coal is badly distributed, both as regards quantity and quality, having regard to the use to which it is to be put; there are too many local committees, who are not always well informed regarding requirements.

Conclusion.—One single organisation for the whole of the South should be created under the command of a single, energetic Chief, who should have entire control over the distribution of the coal and the railway trucks in which it is to be transported. Adequate powers should be given to this Chief, who should have under his orders a sufficient number of local supervisors whose duty it should be to keep him informed.

69. How can the steel requirements be reduced or better use be made of the steel produced?—Certain works could increase their production by reducing waste. In particular, covers for the ingot heads with refractory linings should be brought into general use for retarding the cooling of the head, as is already the case in certain larger works. This process reduces the internal shrinking, and consequently one is able largely to reduce the extent of the subsidence—from 28 per cent. to 15 per cent. This means a saving in metal of about 13 per cent.

In conclusion, the French Mission has suggested that the screw-base shell should be replaced by the monobloc shell similar to the French type which takes much less metal and requires a great deal less workmanship. In this way a saving of 20 per cent. in metal and 40 per cent. in working up can be effected.

CHAPTER IV.—RAILWAY MATERIAL.

70. The demand for railway material is represented by the Russian Government as being next in urgency to that for heavy artillery, and certainly the condition of the transport system proves at the present time extremely inefficient, limiting the output of metals and of munitions of all kinds and impeding the movement of those which are produced or imported. We have not, however, received any information showing the work done by the rolling stock, such as car or engine mileage, and without such information it is impossible to say to what extent the present deplorable situation is due to faulty management, and to what extent to actual shortage of rolling stock. This is a matter on which Mr. Bury will be able to give an opinion, but his researches are only just beginning, and it is, therefore, not possible in the following notes to make any thorough criticism or comment on the position as put before us. The following is, therefore, to be regarded entirely as provisional.
71. The problem of supplies of railway material is accentuated by the following difficulties:

In the first place the home supplies are failing, as is shown in the note at the end of this chapter. The reduction is due to the fact that the steel output is stationary, and even declining, and an increasing proportion of that which is available is being taken for munitions. The loco and wagon works are also engaged in making munitions.

72. On the other hand, the amount of transport to be done has enormously increased. Before the war Petrograd relied on British coal for its supply, which was brought from the Baltic. Now the demand in Petrograd, which has increased through the large munition output of this area, has to be met from native sources, and in this connection Polish coal is no longer available. Practically the whole coal and iron industry of Russia which is now working is that of the Donetsky area, and both the steel which is used in the north and the coal for both transport and private purposes has to come from South Russia.

Efforts are being made to circulate trucks in a triangular way from the Petrograd and Moscow provisioning areas to the front, from the front to the Donetsky area, and from there to North Russia; but it is not easy to keep to this scheme, especially when the Generals at the front are clamouring for supplies.

Moreover, while it is essential to limit the amount of rolling stock at the front as far as possible, it is of course essential that a large supply should be available there, as otherwise the troops are practically immobilised and cannot be concentrated at any point of attack.

73. For these and other reasons the rolling stock requirements have been enormously increased, but the additions from the Russian factories are low, while before the war the condition of the stock had apparently been allowed in certain respects to deteriorate.

During the war nearly 400 locomotives have been delivered from America, together with 33 from Belgium; 13,000 cars have been passed through Vladivostock, and some 269,000 tons of rails.

There are still due from abroad 300 locomotives from America, and 40 more from Belgium; 3,000 50-ton cars, 3,000 20-ton cars, and 370,000 tons of rails.

74. The additional demands for railway material to be ordered from abroad now put forward include 754,000 tons of rails, 920 locomotives, 26,760 cars, and a large variety of other demands, which total 1,700,000 tons, of which only 860,000 tons will have to be transported by rail into the interior, though, of course, the whole quantity will have to be carried by sea. These demands are, of course, entirely out of the question.

The present orders involve a tonnage of something like 700,000 tons of shipping transport. The 370,000 tons of rails will, with the amount of material already in stock at Vladivostock, very nearly occupy the port for the whole of 1917, but of course all rolling stock that can be put on rail at Vladivostock will tend to increase the capacity of that port to receive other munitions.

75. It is therefore desirable that as much rolling stock, and particularly locomotives, as possible should be landed at Vladivostock, and though it is improbable that any orders can be placed in America for delivery before October, which probably means arrival at Vladivostock about Christmas, it is desirable that all possible orders should be placed which may materialise next winter.

This is important for other reasons, among which may be mentioned the fact that delay in placing orders last July was responsible for a break in deliveries of rolling stock at Vladivostock at the present time, while there is also the consideration that if the war continues until 1918 it will be important to give every possible assistance to Russia through Vladivostock during the winter 1917-1918. Orders placed now will increase capacity at this season.

76. In this connection the suggestion is made below (Chap. VIII.) that the Japanese Government should be approached with a view to lending or selling either new or second-hand rolling stock, and arranging for its transport to Vladivostock or Dalny. They should also be asked, if possible, to supply rails, to be used for double tracking parts of the Siberian Railway.

77. As regards additional orders for rails the need is extremely urgent, particularly in order to build up a stock for use at the front. In this connection
the figures given below show that if the Russian demand for rails is analysed into more urgent and less urgent requirements, the former class involves some 10,000 verst, of which 6,000 are for use at the front.

It is highly improbable that any orders that could be placed now could be delivered in time for this year's campaign, or, if they could be delivered, could be transported in addition to the orders already placed, and therefore these demands will have to be met, if met at all, by taking up lines in Russia, probably in European Russia, in places where traffic is unimportant.

78. If, however, steps can be taken during the year to increase by a considerable amount the carrying capacity of the Siberian railway, it would be possible to move a considerable quantity during next winter, and orders for this purpose should be placed now.

It is, moreover, not unreasonable to assume, in calculating what tonnage should be ordered, that a carrying capacity will be available in the spring of 1918 in excess of present facilities, and these additional orders for rails have therefore not been entered in the balance sheet in the tonnage to be set against the carrying capacity of 1917.

It is possible that orders could be placed now for delivery in America in the last quarter of this year to the extent of possibly 200,000 tons, and this quantity is included in a rough estimate of the amount for which financial arrangements might now be made.

79. It is also proposed that additional orders for rolling stock to the amount of 100,000 tons, for delivery next year, should be placed in America or Canada. The allocation of this is between locomotives and wagons will have to be decided after further consultation with the Russian Government. In this connection it is suggested that inquiries should be made at once, but that the final conclusion of contracts should be delayed until Mr. Bury has reported.

80. As regards the condition of rolling stock, &c., the following information has been supplied by officers of the Ministry of Transport:

<table>
<thead>
<tr>
<th>Locomotives</th>
</tr>
</thead>
<tbody>
<tr>
<td>The stock of locomotives on the 1st January was 20,560, but it is to be assumed that at any moment 15 per cent. of these are under repair. 6 The problem of keeping locomotives in good condition is an extremely difficult one, for two reasons: (1) the age of the stock and (2) the constant and hard usage it is receiving.</td>
</tr>
<tr>
<td>81. As regards the first point, 25 per cent. of the stock is over 30 years old, the stock in existence having been procured in the following decades:</td>
</tr>
<tr>
<td>Up to 1860 - - - - - - 128</td>
</tr>
<tr>
<td>1860 to 1870 - - - - - - 1,812</td>
</tr>
<tr>
<td>1870 ,, 1880 - - - - - - 3,267</td>
</tr>
<tr>
<td>1880 ,, 1890 - - - - - - 1,299</td>
</tr>
<tr>
<td>1890 ,, 1900 - - - - - - 5,475</td>
</tr>
<tr>
<td>1900 ,, 1910 - - - - - - 2,271</td>
</tr>
<tr>
<td>82. As regards the second point, the locomotives are commonly worked for 24 hours a day, and are taken over by crew after crew. It is therefore impossible to keep them properly clean.</td>
</tr>
<tr>
<td>83. The following table shows the home production of locomotives for a series of years. The first nine figures refer to 0–8–0 type engines and those for 1915–16 to the more powerful 0–10–0 type:</td>
</tr>
<tr>
<td>1906 - - - - - - 1,281 (0–8–0)</td>
</tr>
<tr>
<td>1907 - - - - - - 755</td>
</tr>
<tr>
<td>1908 - - - - - - 641</td>
</tr>
<tr>
<td>1909 - - - - - - 514</td>
</tr>
<tr>
<td>1910 - - - - - - 495</td>
</tr>
<tr>
<td>1911 - - - - - - 416</td>
</tr>
<tr>
<td>1912 - - - - - - 306</td>
</tr>
<tr>
<td>1913 - - - - - - 535</td>
</tr>
<tr>
<td>1914 - - - - - - 749 plus 37—750 mm. engines,</td>
</tr>
<tr>
<td>1915 - - - - - - 910 (0–10–0) plus 65 (65) 398 U.S.A. locos.</td>
</tr>
<tr>
<td>1916 - - - - - - 587 plus 200 also delivered.</td>
</tr>
</tbody>
</table>

* The actual figure was apparently 17 per cent. in February and was rising.
It is estimated that the locomotive shops could make from 65 to 70 locomotives a month without interfering with the gun carriage and other munition output which is being made in these shops, provided the necessary steel could be obtained. The workshops in Harbin could assemble from three to five foreign locomotives a day.

84. The American locomotives referred to in the above table were ordered before the present arrangement for dealing with American orders. Under the new régime 300 locomotives have been ordered. Further, 80 locomotives have been purchased from Belgium, 33 of which have been received, 4 sunk, and 6 returned, as they could not be unloaded by the cranes available at Archangel. The rest are expected soon at Romanoff, and it is thought that they can be dealt with there.

The proportion of existing locomotives which are used at the front was not given.

Cars.

85. The total stock in the country on January 3rd was 565,000, of which about 5 per cent. are always under repair. Of the total number 150,000 are in use at the front.

86. The output of cars in Russia since 1906 has been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>1906</th>
<th>1907</th>
<th>1908</th>
<th>1909</th>
<th>1910</th>
<th>1911</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>20,718</td>
<td>18,768</td>
<td>8,578</td>
<td>2,743</td>
<td>7,248</td>
<td>6,736</td>
</tr>
<tr>
<td>1912</td>
<td>9,418</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1913</td>
<td>18,810</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1914</td>
<td>29,157</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1915</td>
<td>28,458</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1916</td>
<td>20,165</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In the early years these were 10 or 12 ton cars, but at the comparatively slow speed obtaining in Russia it has been found possible to increase the weight carried without danger.

In the later years they refer to 18-ton cars, which in fact carry 20 tons of freight without danger.

87. Under the old régime Russia bought, in addition to the above, 5,060 gondola cars, 4,100 40-ton cars from the Car Foundry Company, and 2,000 from the Pressed Steel Company, 2,000 from the Canadian Eastern Car Company, together with 60 platform cars from the Pressed Steel Company, and 150 platform cars from the Car Foundry Company. Of these 13,013 have been delivered and assembled, only about 200 having been lost.

Under the new régime Great Britain has ordered 3,000 50-ton gondola cars and 3,000 20-ton cars from the Eastern Canada Company.

Pairs of wheels have also been bought for the Russian factories.

Rails.

88. The following is the output of Russian rails since 1906:

<table>
<thead>
<tr>
<th>Year</th>
<th>1906</th>
<th>1907</th>
<th>1908</th>
<th>1909</th>
<th>1910</th>
<th>1911</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thousand Poods.</td>
<td>14,346</td>
<td>11,732</td>
<td>12,962</td>
<td>19,331</td>
<td>19,717</td>
<td>24,744</td>
</tr>
<tr>
<td>Thousand Poods.</td>
<td>1912</td>
<td>1913</td>
<td>1914</td>
<td>1915</td>
<td>1916</td>
<td>24,310</td>
</tr>
<tr>
<td>1917</td>
<td>29,672</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1914</td>
<td>33,463</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1915</td>
<td>27,305</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1916</td>
<td>16,935</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1917</td>
<td>19,717</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These figures refer to first-class rails only, but it is necessary now to make rails of inferior steel. In 1916 the output of rails, including these second-grade rails, was 20,216 thousand poods.

89. The following gives in thousand tons the output of rails from Russia, and second, the amount ordered from abroad, including an estimate for the year 1917. It will be observed from the note that 370,000 tons should be delivered in 1917 in respect of orders placed during the past year. It is definitely stated that the serious decline in the Russian output is due to lack of steel and not to lack of rolling capacity. This capacity is required for rolling steel used in various munition works, including
shell work, but there is an ample margin of rolling capacity for a much larger rail output if steel could be obtained.

<table>
<thead>
<tr>
<th></th>
<th>Made in Russia</th>
<th>Ordered from Abroad</th>
<th>Total due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1914</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1915</td>
<td>-</td>
<td>448</td>
<td>180 (a)</td>
</tr>
<tr>
<td>1916</td>
<td>-</td>
<td>275</td>
<td>397 (b)</td>
</tr>
<tr>
<td>1917 (estimate)</td>
<td>-</td>
<td>290</td>
<td>740</td>
</tr>
</tbody>
</table>

(a) All delivered.  (b) 25 delivered.

**New Demands.**

90. The demand for rolling stock, and in particular for locomotives, is unlimited. The demand for rails amounts to some 1,400,000 tons, of which 645,000 tons are regarded as extremely urgent. The analysis of this very urgent demand is as follows:

<table>
<thead>
<tr>
<th>Normal Gauge</th>
<th>750-mm. Gauge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front</td>
<td>Versts.</td>
</tr>
<tr>
<td>New lines*</td>
<td>6,000</td>
</tr>
<tr>
<td>For repair of existing lines</td>
<td>1,717</td>
</tr>
<tr>
<td>Total</td>
<td>10,511</td>
</tr>
</tbody>
</table>

Total weight, 645,000 tons.

* Map to be supplied.

91. The less urgent demand is composed as follows:

| Front        | 3,932 versts | 278,000 tons. |
| New lines    | 3,602        | 254,000       |
| Repairs      | 2,868        | 202,000       |
| Finland      | 282          | 20,000        |

754,000 tons.

**CHAPTER V.—OTHER DEMANDS.**

92. A large number of demands have been received from many Ministries and detailed lists of these are available. Before summarising in regard to weight, &c., the following points may be noted in connection with some of the more important items.

**SECTION A.—ADMIRALTY.**

93. 100 130-mm. guns for ships under construction and for rearmament are asked from England. These calibre guns, it is said, have been used in land bombardment on the Riga Gulf and are rapidly wearing out. There are 161 now mounted; 84 in the Baltic and 77 in the Black Sea. Russia's output is only enough for new cruisers. This demand is therefore put forward as of extreme urgency.

100 4-inch guns are needed to increase the number of guns on torpedo boat destroyers from two to four and to mount on patrol ships and trawlers. New works in Petrograd will ultimately be capable of turning out 25 guns a month, but not for some time to come.

94. It was specially urged in regard to these two items that the Russian Navy is making guns for the Army, and that if these are not granted they will have to step
manufacture. There is practically no hope of these demands being met in view of the need for 4-inch guns at home for arming merchant vessels.

95. The Admiralty also ask for 40-mm. anti-aircraft guns but admit that the weapon is of very little value.

6,000 tons of picric are asked for to fill mines for the Baltic. Information as to naval stocks will be supplied. It may be necessary to make a special effort to supply 1,000 tons by May.

The Navy also ask for 1,800 tons of propellant, but if 30,000 tons a year from American orders are allocated to Russia, the distribution between the Army and the Navy should be left to the Russian Government.

Large quantities of material for submarine netting, anchor chains, &c, are asked for. It will be for the British Admiralty to say which items of these can be supplied, but it is suggested that it is not possible to allot any considerable cargo capacity to these demands.

96. The demands also include a number of ships for various purposes, and of these items the request for 10 tugs for use in the White Sea is extremely important. The White Sea is by far the most important entry into Russia and it is of extreme urgency that everything which will increase the capacity of the port should be made available immediately.

This demand, with demands for cranes, loading and unloading gear, &c, should probably be placed ahead of all other requirements.

SECTION (B).—TECHNICAL DEPARTMENT OF THE WAR OFFICE.

97. These demands consist of various engineer stores (including barbed wire) and mechanical transport.

As regards wire, there are 910,000 tons in the country, of which 60,000 tons are at Vladivostock, but they cannot be moved owing to congestion of the railway.

The new demand for barbed wire from abroad is for 210,000 tons, while the Russian Government also ask for 110,000 tons of wire to be barbed in Russia in addition to the barbed wire manufactured as barbed wire in the country. Special steps have been taken to develop this work, and it is now believed that 13,000 to 14,000 tons can be barbed a month.

There does not seem any prospect of getting through Vladivostock the quantity of wire asked for, and it would seem desirable to limit purchases to the 110,000 tons of unbarbed wire for Russia's own workshops.

Russia produces all her telegraph materials with the exception of some already ordered in Japan, but is dependent on foreign sources for wireless material, and under this head some small special orders may be required in addition to those already placed.

98. The great bulk of the requirements of this department consists of motor transport vehicles, which are asked for to the tune of about 850,000 tons, half of which is asked for from Italy.

99. Supplies from Great Britain will probably not exceed 70,000 tons. This would largely consist of caterpillar tractors, of which we hope to supply some 800, and of four-wheel drives, of which probably 400 could be supplied.

The large demand for lorries from England can probably not be met, and it is doubtful whether any orders can be placed beyond those already authorised, but France and Italy should be able to meet a considerable proportion of the lorry requirements.

100. It is doubtful whether it will be possible to deal with more than 40,000 tons of engineer's stores in addition to the above.

SECTION (C).—INTENDANCE DEPARTMENT.

101. The demands of the intendant's department amount to 315,000 tons, including various kinds of cloth, leather for boots, saddles, harness, &c.

A very considerable proportion of the cloth is supplied in Russia, and with orders already placed abroad will go a long way towards meeting requirements, except in the case of cloth for tunics and lighter garments. The amount involved is not, however, very considerable, even in the latter case.
The situation as regards supply, in fact, for all these demands is probably more satisfactory, apart from new orders, than in any other department.

102. The only items upon which the Minister of War lays special stress are harness for one and two horse vehicles. In the case of single-horse harness, he will be 33 per cent. short of requirements unless additional orders are placed abroad, and in the case of two-horse harness 27 per cent. short of requirements. In view of the importance of horse transport great emphasis is laid on the need for these orders. There ought not to be serious difficulty in meeting these requirements from the point of view of production.

103. Probably the essential requirements of this department can be got down to, say, 40,000 tons.

SECTION (D).—SANITARY SERVICE.

104. The demands for this service amount to 15,000 tons. We have no means here of judging whether this is all essential. The demands include certain medical instruments, formerly made in Germany, but of which Russia has commenced production, e.g., clinical thermometers, specimens of which were presented to us, but the output of these is still very small. It is, however, suggested that next year Russia may be independent in this respect.

In the absence of any means of criticism these requirements must be entered at their full value.

SECTION (E).—TRADE AND COMMERCE.

105. The requirements of the Ministry of Trade and Commerce are entered at 500,000 tons, of which a great part consists of raw materials of commerce.

Commercial Materials.

106. The total of materials amounts to 452,000 tons, of which 16,000 tons is rubber for military purposes only. The department has made no allowance for rubber for other purposes, though the Russian monthly consumption indicates that 3,000 tons more is required.

18,000 tons represents machinery for tanneries, and cloth and cotton mills, &c., and it is stated that this demand almost entirely consists of spare tools and machinery required to replace that worn out. There is practically no new equipment included.

106,000 tons of cotton is asked for, 14,000 tons of jute, and 13,000 tons of wool. Tea is down for 58,000 tons; coffee, cocoa, and other food products at 25,000 tons.

50,000 tons of sugar is asked for owing to the fact that the armies are encamped on the best beet fields of Russia, while in other areas lack of proper transport has prevented the beet being manufactured into sugar.

17,000 tons of sulphur are required from Italy for war purposes, for though the Caucasus and other areas produce sulphur, the product is not pure enough for the manufacture of explosives.

107. The department will supply a statement of each of these products imported in 1916, with figures, so far as they are known, of stocks in Russia, and the condition of affairs in each of the industries concerned.†

It is, however, obvious that this quantity cannot be brought into the country by sea except at the expense of munitions, and it will be for the Government to say what proportion of these industrial needs must be sacrificed.

108. The Ministry of Trade also deals with the ports, with mines, and with a certain number of munition factories, which, for historical reasons, are managed by this department instead of by the Ministry of War.

Port Equipment.

109. As regards the ports, the department is asking for 60 8–10-ton cranes and seven floating cranes, which must have their own means of locomotion. They are also asking for automatic and labour saving machinery for handling coal, and for an additional supply of tugs.

* For artillery harness, see Chapter I., Section (F), §§ 39, 40.
† Certain information on these points is contained in Part V. of this report.
In view of the explosion at Archangel, moreover, there is urgent need for motor fire engines; two floating docks, one of which should take 5,000-ton ships, and 15 ice-breakers, are also asked for.

110. In view of the possibility of war continuing until 1918, it is suggested that the installation of automatic plant for handling cargo should be pressed forward, though the plant is not likely to become effective until this autumn; while everything possible should be done in the way of supplying cranes and togs to enable the port to reach its maximum capacity.

Excluding ice-breakers, which probably cannot be supplied, the demands represent from 15–20 million roubles worth of equipment, most of which is for Archangel.

Mining Machinery.

25 million roubles worth of equipment is asked for in respect of machinery for working mines, &c., the tonnage being 14,000 tons.

A good deal of this is said to be labour saving machinery, and the remainder to be necessary in view of the bad condition into which it is alleged the machinery at the mines has fallen.

Most of this is to be bought in America, but in view of the somewhat experimental character of the attempt to introduce labour saving devices in the mines, it may be doubted whether it is expedient to regard this request as of special urgency.

Armament Factories.

112. There remain the armament factories under the Ministry of Trade. The chief item of the demands under this head is a 7,000-ton press, which is required at the Perm gun factory, which is making heavy guns up to 12 inches and even 14 inches for the Navy.

This factory has not hitherto been a main source of supply for the largest type of Russian naval guns, and it is not clear that it is necessary to equip another heavy gun factory during the war.

The heavy howitzers for the Army still continue, as before, to be made at Obukhov, but the case for so large a piece of machinery is based on the fact that there is only one similar piece of machinery in Russia, and that if this broke down the forging of large guns would be stopped.

It is, however, a very cumbersome piece of machinery to get through to Russia under present circumstances.

SECTION (F).—AGRICULTURE.

113. The Minister of Agriculture asks for 477,000 tons of goods, including machinery for the timber trade, rice and rice bags, and agricultural implements. Details have not yet been supplied, but it is understood that the want of agricultural machinery is very great.

If these machines are divided into cultivating and food preparing machinery, it is the latter which must be regarded as the more urgent, for the transfer of many millions of men and horses to one part of the country means that food which was previously hardly handled at all has to be packed and transported.

Hay is being imported at this moment because machinery is not available for pressing and cutting Russia’s own crops, which are always ample.

In the absence of details, however, it must be left for the Russian Government to indicate what relative importance they attach to these demands.

* Information on these points will be found in Part V.
CHAPTER VI.—TRANSPORT CAPACITY.

114. The following table shows the Russian estimates of transport capacity from various available ports compared with estimates arrived at after consultation between British and French officials:—

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Railway and Canal Capacity.</td>
<td></td>
</tr>
<tr>
<td>Archangel</td>
<td>3,075,000</td>
<td>4,742,000</td>
</tr>
<tr>
<td>Kem</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Romanov</td>
<td>2,040,000</td>
<td>2,390,000</td>
</tr>
<tr>
<td>Finland</td>
<td>1,246,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Vladivostock</td>
<td>1,174,000</td>
<td>4,585,600</td>
</tr>
<tr>
<td>Total</td>
<td>8,035,000</td>
<td>12,717,500</td>
</tr>
</tbody>
</table>

| Probable Capacity.       | Maximum                  | Possible Shipping |
|                         | Port Capacity.           | available.        |
| Archangel               | 2,572,000                | 2,700,000         |
| Kem                     | 726,000                  | ?                  |
| Romanov                 | 458,000                  |                    |
| Finland                 | 624,000                  | 700,000            |
| Vladivostock            | 4,381,000                | 3,400,000          |

115. The shipping total represents an increase of over 50 per cent on the amount shipped last year, and in view of the present shipping position is optimistic. A cautious estimate would probably put the total probable import at something less than last year's figure (we were not able to get precise figures of last year's total); and if the suppression of the submarine menace is not completed until the autumn, the Russian Government may even have to legislate for a blockaded country except as regards such material as may come from Vladivostock; and it should have its plan prepared on this assumption.

116. Arrangements should, however, be made by the Allies on the most favourable assumptions as to the possibility of supplying munitions to Russia, and it is suggested that it would not be unreasonable to provide 4½ million tons of material to allow for losses, delays in delivery, &c., in addition to goods that may be supplied from Sweden. In basing proposals on this estimate, however, two considerations have to be borne in mind.

117. In the first place, the interests of the Alliance as a whole cannot permit of ships returning empty from Russia, and it is understood that, in addition to exports of flax and timber, the Russian Government have undertaken to supply 500,000 tons of wheat for France and England. To handle this export at Archangel without delaying ships or trains will require the most careful organisation, which is to be entirely in the hands of the French.

For the avoidance of delay, it is essential to ascertain (a) whether the Russian Government have made all the necessary arrangements at the points where the export is to take place, and (b) to make sure that the proposed French organisation will work smoothly and harmoniously with the present British arrangements at the port.

118. In the second place, it is to be feared that the labour conditions which were bad in 1916, and have been made more difficult by the recent explosions, should be placed on a satisfactory basis in anticipation of the additional work which the port will be called upon to perform in the coming season. In this connection, it is suggested that shore labour handling general cargo at the port should
be taken over by the military authorities and run on the lines of a regular base for the army in the field. This plan would (a) save the loss of time from public holidays; (b) maintain the supply during harvest time; (c) by providing clothing keep the men at work in wet weather; (d) maintain night work. A draft agreement with the Russian Government is appended to this Report.

This or some alternative solution of the labour problem is immediately necessary if the main means of importation into Russia is to be fully utilised this year.

119. Of the total tonnage of goods available for Russia for 1917, 700,000 tons of coal will not have to be transported by rail at all to the interior, while perhaps 100,000 tons of goods will be transported inland by canal. This leaves 3,450,000 tons for the railways, of which 700,000 tons would be for Vladivostock, say, 350,000 for Romanov, and 2,400,000 tons for the Archangel railway or for the Murman railway from Kem. To this must be added 350,000 tons of material lying at Vladivostock and 270,000 at Archangel on 1st January, giving the following programme for the year:

<table>
<thead>
<tr>
<th>Line</th>
<th>Demand</th>
<th>Proposed Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vladivostock</td>
<td>1,635,000</td>
<td>1,030,000</td>
</tr>
<tr>
<td>Archangel</td>
<td>320,000</td>
<td>2,320,000</td>
</tr>
<tr>
<td>Kem</td>
<td>925,000</td>
<td>350,000</td>
</tr>
<tr>
<td>Total</td>
<td>4,000,000</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>

Archangel is the only line which has as yet managed anything like so large a programme as this. A considerable quantity of the goods for Vladivostock consists, however, of railways rolling stock and will assist the capacity of the line by carrying other goods.

120. Until Mr. Bury has reported, we are not in a position to comment further on this programme, but it may be remarked that it is considerably below the official capacity of the lines; and if the latter figures are in any way justified, there should be a fair surplus of rolling stock to help to relieve the congestion in the interior of the country or at the front.

CHAPTER VII.—PROPOSED ALLOCATION.

121. The preceding considerations suggest that the 4½ million tons for which arrangements should be made may be allocated to the best advantage according to the following table. These figures exclude Swedish products imported from Finnish ports, and any additional assistance that may be rendered by Japan, as indicated in the following chapter.

<table>
<thead>
<tr>
<th>Item</th>
<th>Demand</th>
<th>Proposed Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artillery Department</td>
<td>4,190,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Railway material</td>
<td>2,458,000</td>
<td>700,000</td>
</tr>
<tr>
<td>Shell steel</td>
<td>1,635,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Other iron and steel</td>
<td>1,750,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Coal</td>
<td>925,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Motors</td>
<td>320,000</td>
<td>110,000</td>
</tr>
<tr>
<td>Wire</td>
<td>147,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Other war material:</td>
<td>77,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Sanitary</td>
<td>315,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Archangel equipment</td>
<td>15,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Mines and works under Commerce Ministry</td>
<td>49,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Ministries of Commerce and Agriculture</td>
<td>929,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Roumania</td>
<td>120,000</td>
<td>120,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12,929,000</td>
<td>4,240,000</td>
</tr>
</tbody>
</table>

Of this, 370,000 represents rails and 320,000 tons wagons and locomotives, &c, due for delivery on old orders. It is suggested that 200,000 tons of rails should be ordered for receipt, Jan. 1918, and locomotives and wagons for earliest possible delivery, as available—say 100,000 tons.

At rate of 4,000 tons a week during navigation.

As agreed by Ministry of Marine.

To be allocated between British, French, and Italian orders.

To be barbed in Russia.

Not including ships, barges or tugs that may be sent.

This distribution among these items requires further consideration.
The items which make up the 1,200,000 tons for the Artillery Department are given in the following statement, which shows separately receipts from various sources:

<table>
<thead>
<tr>
<th>Item</th>
<th>United Kingdom</th>
<th>France</th>
<th>America</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammunition for guns and howitzers</td>
<td>170,000</td>
<td>152,400</td>
<td>180,000</td>
<td>Nil</td>
</tr>
<tr>
<td>Guns and howitzers (including tractors)</td>
<td>10,000</td>
<td>7,200</td>
<td>(included under United Kingdom)</td>
<td></td>
</tr>
<tr>
<td>Mortars and ammunition</td>
<td>29,000</td>
<td>12,000</td>
<td>Nil</td>
<td>10,000</td>
</tr>
<tr>
<td>Aviation</td>
<td>70,000</td>
<td>150,000</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Positive</td>
<td>20,000</td>
<td>Nil</td>
<td>Nil</td>
<td>120,000</td>
</tr>
<tr>
<td>Explosive material</td>
<td>Nil</td>
<td>?</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Rifles</td>
<td>Nil</td>
<td>6,000</td>
<td>Nil</td>
<td>20,000</td>
</tr>
<tr>
<td>Machine guns</td>
<td>83,000</td>
<td>Nil</td>
<td>120</td>
<td>Nil</td>
</tr>
<tr>
<td>S.A.A.</td>
<td>2,000</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Other items, including signal lights and optical munitions, but excluding motor vehicles</td>
<td>394,000</td>
<td>317,720</td>
<td>360,000</td>
<td>?</td>
</tr>
</tbody>
</table>

Total equals 1,072,000 tons, plus material from Italy and explosives from France, or, say, 1,200,000 tons.

The proposals as regards railway material involve placing new orders for 200,000 tons of rails, and as many wagons and locomotives as may conveniently be obtainable, for delivery in America during the last quarter of this year up to, say, 100,000 tons.

The shell steel is an entirely new allocation, while the metal supply represents an increase of four to five thousand tons only over the quantity already on order.

The wire to be barbed in Russia is a new order, but the motor allocation probably involves the cancellation of a considerable quantity of orders which cannot be delivered this year.

The allocation among the remaining items is tentative, and is probably covered many times over by outstanding orders for delivery in 1917, and it is possible that steps may have to be taken to cancel some orders, or to delay delivery until next year. The only orders for new supplies which it is suggested should be placed are for equipment for discharging the ships at Archangel, for tugs, and other material required by the Admiralty, and for harness, which it is thought can be obtained in the United States.

123. If coal and artillery demands be deducted, the tonnage available for other items in 1917 is very much less than outstanding orders, and the problem of holding back supplies in order to facilitate the shipment of articles which are really urgent is one which will have to receive early and serious attention. Considerable monetary losses may be incurred in this connection, but this possibility may have to be faced in order to strengthen Russia's position by the supply of vitally important munitions. This situation is due to the fact that means of transportation have entirely failed to cope with the supplies which it was hoped could be brought into the country.

124. The determination of priority is particularly serious in the case of machine tools, an enormous number of which have in the last two years been ordered for Russia, but less than half have been delivered.

The Russian Government should be asked to allocate space to machinery, and to indicate which of the many outstanding orders should be permitted to go through in 1917. It is suggested that no more orders should in any circumstances be placed this year.

CHAPTER VIII.—ORDERS IN JAPAN.

125. Russia has placed a considerable number of orders in Japan, but owing to the difficulty of obtaining credit there the total output capacity of Japan does not
appear to have been used to anything like its full extent. At an interview with the Japanese Military Attaché it was stated that a number of orders are under consideration, but are being suspended.

126. In view of the extreme difficulty of obtaining an adequate output of munitions, it is very undesirable that the capacity of one of the members of the alliance should not be fully employed. The difficulty is, of course, to get Japan's output to the western theatre, and it is, moreover, of extreme importance that at a time when Russia can only get into the country a very limited proportion of her requirements her orders in Japan should be selected with very great care, and in conjunction with the orders placed in England and America.

127. The possibility of increasing Japan's output of nitro-cellulose has already been referred to, and it is suggested that an official representation to the Government of Japan should be made in this matter. It is also suggested that Japan's steel output could be more usefully employed, though in this case the difficulty is transport from Vladivostock. It would seem desirable that enquiries should be made as to whether the shipping facilities of Japan are being fully utilised, and if not, that the Japanese Government should take in hand the service to Russia. The port capacity of Vladivostock is, however, greater than the railway capacity and probably one of the first and most useful ways in which Japan's steel industry could assist Russia would be for her to supply rails which might be utilised to duplicate certain sections of the Siberian railway and provide additional track at junction points, &c.

It would also be necessary that Japan should do her utmost to increase the supply of rolling stock available at the eastern end of the Siberian railway. Japan's existing stock is unsuitable, as it is of a very narrow gauge. But her locomotive and wagon shops might be turned at once on to making 5-feet stock.

If Japan undertook this task it would probably be convenient that her assistance should go through the port of Dalny, as this would have the double advantage of shortening the shipping journey, and, therefore, enabling the tonnage available to do more transport, and would also lessen the railway congestion at Vladivostock. It is true that the worst part of the transport difficulty is west of the junction with the Manchurian railway, but the Siberian railway during the Russo-Japanese war carried far more traffic than could be imported through Dalny and Vladivostock. With organisation, with certain duplication of lines, and with adequate rolling stock, it should be possible greatly to increase importation from Eastern Asia.

It would clearly be an advantageous bargain for the Japanese Government to do this, if the additional railway capacity which would thus be developed were taken up with orders in Japan.

128. It is probably desirable, if this suggestion be developed, that Great Britain should help financially and probably exercise some form of control, as in the case of orders placed in America.

CHAPTER IX.—ORGANISATION.

129. In the preceding chapters the various directions in which material assistance can be afforded to Russia have been discussed and certain recommendations made. In this work the Armaments Committee has obtained sufficient insight into the state of affairs, as regards the receipt and utilisation of material supplied from England, to make it abundantly clear to them that, if full value is to be obtained for the considerable amount of material which we are providing, an adequate organisation must be established in Russia for the purpose.

130. The British Mission at general headquarters and the Military Attaché at Petrograd do all that is possible to assist in such matters, and have accomplished much. But these officers were selected to carry out quite other duties, and cannot have the technical knowledge required for the work under discussion. Moreover, this has reached such proportions that it is a task in itself, quite beyond being dealt with as an adjunct to the ordinary duties of another department. Further, the fact that different offices deal with the Stavka and with the Ministry of War respectively renders it very difficult to preserve continuity, while in spite of all efforts to the contrary it must accentuate the unfortunate division of responsibility which exists in Russia. There can be no doubt that the position is now such as to demand a separate office—working, of course, under the Ambassador—and as regards the Stavka, through
the chief of the British Military Mission, to deal with all matters connected with the provision of munitions to Russia. It is proposed that this should be termed the "Armaments Mission."

131. This Mission would act as the link between England and Russia in all matters connected with munitions, being in touch with the War Office and the Ministry of Munitions on the one hand and with the Ministry of War on the other. There is no doubt that the Russian Commission in London has not succeeded in filling such a place. Its personnel has not the knowledge required either of Russian requirements or of English conditions, and its disappearance would not be regretted in Russia.

132. Broadly speaking, the duties of the Armaments Mission would be:—

(a) To act as advisers to the Russian Government as to requirements and the possibility of supply;
(b) To keep the War Office and Ministry of Munitions at home informed both as to the supply of munitions and materials in Russia;
(c) To watch over all munitions sent to Russia from the time of leaving England until they were in the hands of those for whom destined; and further,
(d) In the case of such articles as artillery, aeroplanes, &c., to instruct the Russians in their use and see to their maintenance in the field.

133. The Committee have been much struck by the large number of persons, usually wearing the uniform of British officers, who come to Russia on matters connected with munitions. In many cases these officers have little or no right to speak with any official authority, but they are accepted by the Russians and their advice freely taken. This has had many unfortunate results; for instance, in the placing of orders for articles of British manufacture which have been tried by the British Army and found unsuitable for use in the field, naturally giving a very unfortunate impression. We have been astonished at the way the highest Russian officials have quoted as authoritative the pronouncements of such irresponsible individuals. The Military Attache has not the requisite technical knowledge to deal with such persons, but if an organisation such as is proposed were set up, all such would be referred there on arrival.

134. The proposed Mission, being in touch with the munition situation at home, would be in a position not only to protect the Russians from such irresponsible persons but also to give them responsible advice on such matters, keeping them informed as to the success or otherwise of the trials of new inventions as well as on the situation of the Allies in respect to ammunition and raw materials and thus on the possibilities of supply. It would so be able to stop unreasonable demands at the source. At the same time, it would be able to keep the Ministry of Munitions informed as to the real urgency of demands which the Russian Commission in London cannot know owing to the want of co-ordination of departments in Russia. Being also in touch both with the French Mission and with British commercial residents in Russia, it would be able to keep the Ministry of Munitions equally informed as to the productive possibilities in Russia, thus enabling demands to be properly criticised in England.

135. The next duty of the Mission would be to watch over the progress of all goods being supplied to Russia until they reached their destination. At present the position can only be described as chaotic. Shipping arrangements work badly and no one seems to know what is coming from England or America. Goods arrive unexpectedly, or not at all, and it is feared there may be leakage and important material lie unattended to. It may be only months afterwards that some casual remark discloses the fact that important components have not been received with a consignment, and then it seems impossible to find out whether they were shipped with the rest or whether they were sent on another ship, and, if so, whether that ship has ever arrived. The same applies—mutatis mutandis—to the railway journey in Russia. It would be the duty of the Mission to create the necessary organisation to enable them:—

(a) To keep the Russian authorities informed of the progress of manufacture and of shipment of all supplies promised;
(b) To check their arrival in Russian ports;

* This paragraph is based upon the situation we found in Russia and does not in any way refer to the movement or control of ships.
(c) To ensure their despatch from the ports without delay;
(d) To check again their arrival at their destination and to ensure their being handed over in proper order and condition to the Russian authorities.

136. Finally, there has to be considered the use of the material supplied. There is no doubt that as regards both artillery and aeroplanes, though their personnel is in some respects very good, the Russians are not in a position to make the most of the material supplied. Any direct action to improve matters in this respect would no doubt be resented, but it seems probable that if properly handled the provision of so much material of patterns which are new to the Russians should give the opportunity for rendering assistance. Since these guns, aeroplanes, &c., are of our service patterns, it is obvious that we should superintend their being put into proper order after their long journey, the training of the Russian personnel in their use, and their maintenance in a serviceable condition in the field. The first training in the use of the new weapons can gradually be developed to include a grounding at any rate in the latest methods of combined work in the field, and this can be extended still further when the British officers visit their guns and aeroplanes at the front to see that they are being kept in proper order. With artillery and aeroplanes questions of equipment so vitally affect technical employment that such matters must go hand in hand.

137. It will be clear from the above that the organisation set up should be under one head, who could, under the Ambassador, be responsible for dealing with the authorities both in England and in Russia on all questions connected with munitions supplied by England to Russia. Any division of authority would only add to the present difficulties. It is advisable that this officer should be familiar with the conduct of business at the War Office and Ministry of Munitions, as well as with the conditions in France, and he should be competent to give information as well as advice to the Russian authorities. There seems little doubt that the policy of secretiveness as to our own production and experiences which has hitherto been observed has rendered the task of our representatives here unnecessarily difficult.

138. It would be necessary to have the following departments, the chief of the Mission being himself free to move as required to see the work of the several departments and also to discuss matters with the Russian authorities at the Stavka and at the front:—

(a) A central office at Petrograd to deal with all matters connected with the supply of munitions, separate departments being established as found necessary for special matters such as metals, gas appliances, mechanical transports, &c., &c. All British subjects visiting Russia on matters connected with munitions would come under this officer, as far as their technical business was concerned, though officers would remain as heretofore under the Military Attaché in all matters of discipline.

(b) A transit department, which would be specially charged with the duty of watching the progress of all supplies from their shipment until their arrival at their destination. This would include representatives at the ports whose duties would be to check all receipts, take steps to prevent delay and loss at the ports and in transit to the shipping stations, and keep all concerned informed as to the progress.

(c) Equipping stations where the material would be put together and the Russian personnel trained in its use. Three of these would be required: for heavy artillery, trench mortars, and aeroplanes respectively. It would be desirable that they should be all combined at one place, but in any case they should be under a general officer with up-to-date experience of the latest developments in the combined work of guns and aeroplanes in the field. While this officer's duties will ostensibly be to superintend the work of equipping the batteries, &c., his most important duties will lie in the training of the personnel, and especially, perhaps, in spreading a knowledge of the right "doctrine" during his visits to the battery at the front. To do this without suspicion of encroaching on the prerogatives of the Russian authorities, he will require great tact as well as thorough knowledge. Under him will be required regimental officers of the Royal Artillery and the Royal Flying Corps, thoroughly competent to instruct
in their special departments. There will also be required a small staff of mechanics under an experienced inspector of ordnance machinery.

139. The interests to be entrusted to the proposed Mission are of great importance and complexity, and if it is considered advisable to do the work at all, it should be done thoroughly—the results of trying to carry on with insufficient organisation are apparent in the present position.

In conclusion, it only remains to urge the absolute necessity of selecting thoroughly competent officers for the different appointments. To effect any good they must possess intimate knowledge of the work in the different Departments, and those entrusted with the training must be tactful besides possessing up-to-date knowledge of work in the field.

JOHN HEADLAM.
W. T. LAYTON.

Petrograd,
3/16 February 1917.
ANNEX I.

Translation of Memorandum by H.I.H. Grand Duke Serge Michaelovitch.

GUNS AND MUNITIONS IN THE (RUSSIAN) ARMY AND IN RESERVE ON 1ST JANUARY 1917.

GUNS.

3-inch Field Guns:—
Total number of 3-inch field guns in batteries (models 1902 and 1900), including a certain number of Japanese field guns, 5,123.

Note.—The 1900 model and the Japanese guns are being replaced by the 1902 model.

In the number 5,123 are included 90 anti-aircraft batteries of 1 gun each (3-inch), 1900 model.

In addition to the above, there are in reserve at the front 938 3-inch guns, a number that has to be kept up in view of the great distance of the gun factories from the front.

The above number of guns is divided between the following four fronts: the North, the North-west, the South-west, and the Roumanian front. It is exclusive of the Caucasian front.

3-inch Mountain Guns:—

<table>
<thead>
<tr>
<th></th>
<th>In batteries</th>
<th>In reserve of the fronts</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-inch Howitzers (1909 Model), Krupp type, and 1910 Schneider type:—</td>
<td>284</td>
<td>54</td>
</tr>
<tr>
<td>At the fronts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>In reserve of fronts</td>
<td>133</td>
<td>853</td>
</tr>
</tbody>
</table>

4.5-inch Howitzers (English):—

<table>
<thead>
<tr>
<th></th>
<th>At the fronts (21 groups)</th>
<th>In reserve of fronts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At the fronts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>In reserve of fronts</td>
<td>252</td>
<td>252</td>
</tr>
</tbody>
</table>

4.2-inch Q.F. Guns (Schneider):—

<table>
<thead>
<tr>
<th></th>
<th>At the fronts</th>
<th>In reserve of fronts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At the fronts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>In reserve of fronts</td>
<td>199</td>
<td>210</td>
</tr>
</tbody>
</table>

The latter guns (1877 model) are being replaced as rapidly as possible by new type of Q.F. artillery so as to form a reserve of 1877 (model) guns to replace worn-out guns of same type.

6-inch Guns and Howitzers (six different types):—

<table>
<thead>
<tr>
<th></th>
<th>At the Fronts</th>
<th>In Reserve of Fronts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field howitzers</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Siege</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

6-inch Long Guns:—

<table>
<thead>
<tr>
<th></th>
<th>At the Fronts</th>
<th>In Reserve of Fronts</th>
</tr>
</thead>
<tbody>
<tr>
<td>120-pood† howitzers (1877 model)</td>
<td>-</td>
<td>299</td>
</tr>
<tr>
<td>Schneider (made at the Putiloff Works)</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>200-pood (1877 model)</td>
<td>-</td>
<td>68</td>
</tr>
<tr>
<td>150-pood (old model)</td>
<td>-</td>
<td>65</td>
</tr>
</tbody>
</table>

Note:—Two divisions of 4.5-inch howitzers are mobilized and on their way to the front.

1 pound = 0.4536 kilogram.
Heavy Artillery:

- **8-inch howitzers**: 29 equipments.
- **10-inch gun**: 6 equipments.
- **11-inch howitzers**: 16 equipments (14 at the front and 2 being mobilized).
- **12-inch (from the Oboukoff Works)**: 21 equipments, of which 6 are at the front.

In addition, we have 400 guns of different calibres and of old models, which are almost entirely devoid of ammunition.

**Trench Guns:**

- **3-inch short and 37-mm., 47-mm., and 57-mm. (mostly naval guns)**: 286 equipments.

**Number of Guns per Infantry Battalion and per Verst (Kilometre) of Front:**

- **3-inch field guns** and heavy artillery, jointly: 3.7 per battalion.
- **90-mm. guns**: 20 per verst of front.

In addition to the preceding, the following are in existence in Russia:

- **Batteries already mobilized and being sent to the front:**
  - **3-inch field guns**: 21 (6 gun batteries)
  - **3-inch mountain guns**: 2 (8 " " " )

- **Batteries which will be mobilized by 1st March 1917:**
  - **3-inch field guns**: 26 (6 " " " )
  - **3-inch mountain guns**: 6 (8 " " " )
  - **90-mm. guns**: 18 (6 " " " )
  - **45 line howitzers**: 188 (4 " " " )
  - **48 line howitzers**: 6 (4 " " " )

- **Guns in the General Artillery Reserve:**
  - **3-inch field guns**: 251f
  - **3-inch mountain guns on fixed mountings**: 72
  - **3-inch mountain guns on mobile mountings**: 14
  - **90-mm. French guns**: 42
  - **45 line howitzers**: 66
  - **48 line howitzers**: 48
  - **6-inch howitzers**: 16
  - **42 line Q.F. guns**: 30

**Guns Ordered Abroad or Promised by Allies.**

- **12-inch Vickers**: 9
- **11-inch Howitzer Schneider**: 66
- **9-2-inch Howitzer (English)**: 20
- **8-inch " (Vickers)**: 32
- **8-inch " (promised)**: 48
- **8-inch " (English type ordered in U.S.A.)**: 100

**Types and Calibres**

- **Ordered or promised**
- **On the Way**
- **Arrived**
- **In Formation**
- **Formed into Batteries**

- **12-inch Vickers**: 9
- **11-inch Howitzer Schneider**: 66
- **9-2-inch Howitzer (English)**: 20
- **8-inch " (Vickers)**: 32
- **8-inch " (promised)**: 48
- **8-inch " (English type ordered in U.S.A.)**: 100

* The Caucasian front is not included.
f Some of these have no cradles.
\* Explanatory Note.—In the interior of the country under the control of the Artillery Department of the Minister of War. All the preceding classes are under the direction of the Inspector-General of Artillery.
† Some of these are now on their way to the front.
### Number of Equipments.

<table>
<thead>
<tr>
<th>Types and Calibres</th>
<th>Order or promised</th>
<th>On the Way</th>
<th>Arrived</th>
<th>In Formation</th>
<th>Formed into Batteries</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-inch Howitzer (English)</td>
<td>100</td>
<td>20</td>
<td>8</td>
<td>8</td>
<td>—</td>
</tr>
<tr>
<td>42 line (French)</td>
<td>496</td>
<td>4</td>
<td>52</td>
<td>16</td>
<td>36</td>
</tr>
<tr>
<td>42 line (Italian Schneider model with complete equipment.)</td>
<td>200</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>42 line Japanese</td>
<td>120</td>
<td>11</td>
<td>19</td>
<td>8</td>
<td>—</td>
</tr>
<tr>
<td>155-mm. (French)</td>
<td>100</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>60-pdr. (English)</td>
<td>52</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

### AMMUNITION.

In batteries and in reserves of the Armies, at the fronts and in the interior.

#### Calibres.

<table>
<thead>
<tr>
<th>Calibre</th>
<th>1st Jan. 1917</th>
<th>1st April 1917</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-inch field gun</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>3-inch mountain guns</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>48 line</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>45</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>42 line howitzer</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>6-inch (Schneider of 120 poods and 200 poods)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>120 mm gun (Naval)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>120 mm gun (French)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>6-inch gun (Coast defence, Caune type)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>8-inch</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>10-inch</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>11-inch (Set Reider)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>12-inch (Oboukoff)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>12-inch (Vickers)</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

*The possible expenditure during the next three months is not taken into consideration.

#### Monthly Expenditure of Ammunition.

<table>
<thead>
<tr>
<th></th>
<th>First five Months of the War, 1914</th>
<th>Five Summer Months of 1915</th>
<th>Five Summer Months of 1916</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cartridges, S.A.A.</td>
<td>76,500,000</td>
<td>56,500,000</td>
<td>140,000,000</td>
</tr>
<tr>
<td>48 line shells</td>
<td>464,000</td>
<td>811,000</td>
<td>2,229,000</td>
</tr>
<tr>
<td>6-inch and upwards</td>
<td>17,000</td>
<td>38,000</td>
<td>150,000</td>
</tr>
</tbody>
</table>

The figures for 1916 expenditure of Ammunition for 48 line field howitzers and 6-inch heavy guns (and upwards) given above (154,000 and 152,000) do not represent the real necessities of the case, as these guns were consistently short of ammunition.

#### Monthly Expenditure per gun in the Dead Season.

<table>
<thead>
<tr>
<th></th>
<th>150 rounds.</th>
<th>150 rounds.</th>
<th>75 rounds.</th>
<th>100 rounds.</th>
</tr>
</thead>
<tbody>
<tr>
<td>For 3-inch guns</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>For 48 line</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>For 6-inch</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>For 42 line</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>For other heavy guns</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>
### Rifles

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Now at the Front in infantry</td>
<td>2,295,000</td>
</tr>
<tr>
<td>Now at the Front in reserve</td>
<td>350,000</td>
</tr>
<tr>
<td>Now in reserve of the Empire</td>
<td>70,000</td>
</tr>
<tr>
<td>Delivered to Armies in December</td>
<td>105,000</td>
</tr>
<tr>
<td>Will be delivered in January</td>
<td>135,000</td>
</tr>
</tbody>
</table>

In addition, there remain in the reserve of the Empire 76,000 rifles which will be issued to the new formations. Before April 1917, there will be an additional 250,000 manufactured.

### Machine Guns

<table>
<thead>
<tr>
<th>Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maxim Guns (Russian manufacture)</td>
<td>10,831</td>
</tr>
<tr>
<td>Colt Guns (American manufacture)</td>
<td>1,584</td>
</tr>
<tr>
<td>Maxim Guns (German manufacture for Russian cartridge)</td>
<td>390</td>
</tr>
<tr>
<td>Maxim Guns (German manufacture for German cartridge)</td>
<td>81</td>
</tr>
<tr>
<td>Schwarzlose (for Austrian cartridge)</td>
<td>1,145</td>
</tr>
</tbody>
</table>

besides 1,200 machine guns on the Caucasian front.

### Light Machine Guns

<table>
<thead>
<tr>
<th>Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madsen type</td>
<td>355</td>
</tr>
<tr>
<td>Chauchat type</td>
<td>450</td>
</tr>
<tr>
<td>Hotchkiss type</td>
<td>(about) 500</td>
</tr>
<tr>
<td>Lewis type</td>
<td>(about) 1,400</td>
</tr>
</tbody>
</table>

### Aircraft Machine Guns

<table>
<thead>
<tr>
<th>Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lewis</td>
<td>338</td>
</tr>
<tr>
<td>Hotchkiss or Vickers</td>
<td>600</td>
</tr>
</tbody>
</table>

100 new machine gun companies are being formed, each comprising 12 guns.

### Cartridge (S.A.A.) Stocks

At the Front and in Reserve.

<table>
<thead>
<tr>
<th>Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Russian 3 line Rifles</td>
<td>729,887,000</td>
</tr>
<tr>
<td>For Japanese Rifles</td>
<td>279,226,000</td>
</tr>
<tr>
<td>For Mannlicher Rifles</td>
<td>126,426,000</td>
</tr>
</tbody>
</table>

1,135,539,000

### Bomb Throwers and Mine Throwers

<table>
<thead>
<tr>
<th>Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bomb Throwers</td>
<td>6,065</td>
</tr>
<tr>
<td>Mine Throwers (38 and 47 mm.)</td>
<td>1,202</td>
</tr>
<tr>
<td>Bombs</td>
<td>1,588,000</td>
</tr>
<tr>
<td>Mines</td>
<td>205,000</td>
</tr>
</tbody>
</table>

(No large calibre mine throwers.)

### Hand Grenades

<table>
<thead>
<tr>
<th>Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the front</td>
<td>10,568,000</td>
</tr>
<tr>
<td>In the reserves of the Empire</td>
<td>11,146,000</td>
</tr>
</tbody>
</table>

21,714,000
### Russian Requirements to January 1st, 1918.

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Total Requirements</th>
<th>Net Requirements from Abroad (Without counting any which can be manufactured in Russia and those already ordered Abroad)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-inch Guns</td>
<td>9,220</td>
<td>4,964</td>
</tr>
<tr>
<td>Cradles</td>
<td>1,200</td>
<td>770</td>
</tr>
<tr>
<td>&quot; A &quot; Tubes for 3-inch Guns</td>
<td>3,750</td>
<td>1,040</td>
</tr>
<tr>
<td>Mountain Guns</td>
<td>1,620</td>
<td>1,033</td>
</tr>
<tr>
<td>Anti-aircraft guns</td>
<td>164</td>
<td>164</td>
</tr>
<tr>
<td>45-line and 48-line howitzers</td>
<td>2,036</td>
<td>1,214</td>
</tr>
<tr>
<td>48-line howitzer</td>
<td>180</td>
<td>180</td>
</tr>
<tr>
<td>48-line howitzers (15 per month)</td>
<td>532</td>
<td>292</td>
</tr>
</tbody>
</table>

- **3-inch Guns**
- **Cradles**
- **" A " Tubes for 3-inch Guns**
- **Mountain Guns**
- **Anti-aircraft guns**
- **45-line and 48-line howitzers**
- **48-line howitzer**
- **Cradles for 48-line howitzers**

**Notes:**
- There will be a surplus of 200—42-line guns ordered from Ansaldo.
- At least 450 are needed.

### ANNEX II.

**Import Capacity of the Ports and Railways of Russia.**

The following statement prepared by members of the French Mission contains the result of discussions at the Allied Conference at Petrograd as to the capacity of the ports and railways of Russia:

**Combined Capacity of the Ports and their Transport Facilities to the Interior of Russia.**

**Vladivostock.**

<table>
<thead>
<tr>
<th>Capacity of Routes in the Interior, (Figures given by the Ministry of Ways and Communications)</th>
<th>Import Capacity of the Port, (Figures given by the Ministry of Commerce)</th>
<th>Particulars supplied at the Ministry of Commerce Conference on February 8th, 1917</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,174,000 tons</td>
<td>1,430,000 tons</td>
<td>The true capacity of the port is limited by carriage on the railway. The 350,000 tons (stocks) reported by General Manikov for waiting at Vladivostok must be deducted, but 100,000 tons for the port and local traffic may be added to the possible imports. Conclusion. Estimated maximum capacity of the port:</td>
<td></td>
</tr>
<tr>
<td>(a) 874,000 tons to 1 Jan. 1918.</td>
<td>(b) 500,000 tons from 1 Jan. 1918 to 1 June 1918.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Ports of Finland.

Capacity of Routes to the Interior.
(Figures given by the Ministry of Ways and Communications.)

Impact Capacity of the Ports.
(Figures given by the Ministry of Commerce.)

Particulars supplied at the Ministry of Commerce Conference on 8 February, 1917.

Comments.

- The railway anticipates an increased capacity of from 130 to 250 wagons from 1 March. No information is available as to agreements with Sweden, or arrangements made by other Russian authorities for the double transhipment necessary between Apporaanda and Torneo, or in other small ports, of the 2,500 tons corresponding to the 250 wagons. Moreover, there must be at least 80,000 tons held up along the coast of Finland.

**Conclusion.**

Estimated maximum capacity of the ports:

<table>
<thead>
<tr>
<th>Tons.</th>
<th>(a) From 1 Jan. 1917 to 1 June 1918</th>
<th>760,700</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) From 1 Jan. 1917 to 1 Jan. 1918</td>
<td>479,000</td>
<td></td>
</tr>
</tbody>
</table>

Kem, Soroka, and Romanof.

2,046,000 tons; of which 2,040,000 tons at Kem, and 60,000 tons at Romanof.

2,390,000 tons; of which 2,384,000 tons at Kem and Soroka, of which:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>18 x 180 x 400 gives 1,296,000</td>
<td></td>
</tr>
<tr>
<td>to Romanof from 1 Nov. to 1 June—</td>
<td></td>
</tr>
<tr>
<td>16 x 180 x 300 gives 1,094,000</td>
<td></td>
</tr>
</tbody>
</table>

Total 2,380,000

In 1917, there will be 18 berths at Kem, and Soroka, of which—

8 x 60 x 300 gives 432,000
From 1 Jan. to 1 June—
Berths. Days. Tons.
8 x 120 x 300 gives 288,000
Total — 854,000

To these figures must be added 50,000 tons of material of the Murman railway and 150,000 tons of material discharged at Romanof in the winter of 1917.

**Conclusion.**

Estimated maximum capacity of the ports—

<table>
<thead>
<tr>
<th>Tons.</th>
<th>(a) From 1 Jan. 1917 to June 1918</th>
<th>1,054,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) From 1 Jan. 1917 to 1 Jan. 1918</td>
<td>726,000</td>
<td></td>
</tr>
</tbody>
</table>

In 1818, about 130,000 tons of coal (were handled) at Kem. 18 berths are spoken of, of which 15 are at Kem. Archangel admits only 11 berths. These berths are very defective and several are practically useless. We estimate as follows—

8 x 60 x 300 gives 432,000
From 1 Jan. to 1 June—
Berths. Days. Tons.
8 x 120 x 300 gives 288,000
Total — 854,000

Furthermore, the forecast for 1918 may be reduced by half, that is to say, 8 berths instead of 16 (this will have to be verified in autumn 1917). From 1 Oct. 1917 to 1 Jan. 1918—

8 x 60 x 300 gives 432,000
From 1 Jan. to 1 June—
Berths. Days. Tons.
8 x 120 x 300 gives 288,000
Total — 854,000

In 1917, there will be 18 berths at Kem, and Soroka, of which—

18 x 180 x 400 gives 1,296,000
To these figures must be added 50,000 tons of material of the Murman railway and 150,000 tons of material discharged at Romanof in the winter of 1917.

**Conclusion.**

Estimated maximum capacity of the ports—

<table>
<thead>
<tr>
<th>Tons.</th>
<th>(a) From 1 Jan. 1917 to June 1918</th>
<th>1,054,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) From 1 Jan. 1917 to 1 Jan. 1918</td>
<td>726,000</td>
<td></td>
</tr>
</tbody>
</table>
3,757,000 tons; of which 500,000 by water, 2,000,000 by rail before 1 Jan. 1917.

3,749,000 tons made up as follows —
1st Jan. 1917.

War material - 15; Coal - 12

Right Bank of Drin:
1. Smolnaya and Archangel Town —
Berths. Days. Tons.
5 x 180 x 350 gives 270,000
5 x 120 x 300 gives 180,000
Total capacity for Archangel thus amounts to - 1,080,000

The unloading capacity of the left bank is therefore computed at 714,000 tons.

The unloading capacity of the left bank was then reconsidered. The daily tonnage per berth was reduced from 400 to 300 tons, and, in order to increase the capacity, the allocation of five coaling berths at Bakaritza to war material is being considered.

The Russian authorities, while reducing this figure to 220,000, which we pointed out to him was exaggerated, estimates the capacity of the port of Archangel as material in round figures at 2,500,000 tons, to which we must add coastal 1,000,000 tons. The total capacity of Archangel would then be - 3,500,000.

It is not possible to count on there being 10 berths ready at Bakaritza as soon as navigation recommences, for only 12, 10 only are available when the thaw comes, the two berths damaged by the explosion of the "Baron Brisen" being probably quite useless until the second half of the navigation season at the earliest. Only 150 days of normal navigation can be reckoned (1 June to November), not 180 days.

The capacity for war material may be estimated as follows:

Left Bank:
Bakaritza -
Berths. Days. Tons.
5 x 100 x 300 gives 150,000

These are five coaling berths which should be converted into berths for war material and should be ready about 15 July.

Right Bank:
Smolnaya -
Berths. Days. Tons.
6 x 180 x 300 gives 324,000
Grand Total - 1,329,000

This figure closely approximates to the figure of 1,280,000 given by General Pfeifer on 7th Jan., in calculating 300 berths of 4,000 tons on an average. These calculations anticipate the discharge of 549,000 tons on the right bank, whereas only 170,000 tons can actually be stored. Even supposing that the ferry boats carry 4,000 tons, that the warehouses accommodation will be doubled, and that the barges will carry 4,000 tons to Kola, there will still remain 135,000 tons without accommodation.

These 135,000 tons may be provided for, and the figure of 1,280,000 may even be increased to 1,500,000 by assuming the gain of several days in navigation, that the additional hences promised will allow of direct discharge in the river, or that export accommodation may in exceptional circumstances serve for import.

To this figure must be added about a million tons of coal (1,000,000).

E 4
Archangel:—

As regards Archangel the following arrangements are proposed by the Russian officer in charge for dealing with the anticipated receipts in 1917:—

Coal.—Total import, 1,450,000 tons. 500,000 tons of this will be unloaded at Kem by military labour and 950,000 tons at Archangel. Of the latter quantity 550,000 tons will be taken at Bakaritza and 293,000 at Economia, Moses Island, &c.; 67,000 tons will travel by canal to Petrograd and 40,000 by canal to Kotlas.

General Cargo.—The total to be discharged is 2,120,000 tons. This will be dealt with in the following way:

Left Bank—

<table>
<thead>
<tr>
<th></th>
<th>Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakaritza</td>
<td>810,000</td>
</tr>
<tr>
<td>Bujervaiya</td>
<td>240,000</td>
</tr>
<tr>
<td>By barges to be discharged at new shallow piers up the river</td>
<td>290,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,340,000</strong></td>
</tr>
</tbody>
</table>

Right Bank—

<table>
<thead>
<tr>
<th></th>
<th>Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economia (6 berths)</td>
<td>350,000</td>
</tr>
<tr>
<td>Smorny Buian</td>
<td>230,000</td>
</tr>
<tr>
<td>Elsewhere (possibly by canal to Kotlas)</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>780,000</strong></td>
</tr>
</tbody>
</table>

Of the 810,000 tons to be landed at Bakaritza 480,000 tons can be carried during the season by train. 330,000 tons can easily be stored if sheds are completed. Of the 350,000 tons to be landed at Economia 150,000 tons can be stored. The rest must cross by barge or ferry and 100 trucks will be required a day for this purpose. (This part of the programme will be the most difficult to carry out.)

During the season 640 trucks a day will be required to take the general cargo and coal to be transported into the interior, viz., 1,320,000 tons.

1,050,000 tons of general cargo and coal will have to be stored for the winter, which means that 465 trucks will be required daily to transport this after November 1st.

This estimate, which is considerably in excess of the preceding figure, is considered by our officers to be a very optimistic one and to have several weak points. They regard the general cargo capacity as nearer 1,400,000 tons than 2,100,000 tons.

Vladivostock:—

We were not able to get any new information relating to Vladivostock or the Siberian railroad.

Romanon:—

The following information was gathered relating to the Murman Railway when the Mission arrived in Russia:—

One munition train containing 120 tons of goods had passed over the line, while there were 20,000 tons afloat awaiting discharge. Warehouse capacity to a total of 4,900 tons had been allotted, and there was open storage accommodation for 40,000 tons. In addition to the small railway berth two berths were then complete. But we were given to understand that the railway was the limiting factor as the material could not be got away from the port, nor were there sufficient trucks to carry the goods from ships' side to the storage grounds. There was not even sufficient labour to unload those trucks which had been taken up to the storage area and so release them for further use on the piers.

During our stay at Petrograd it became evident that the Murman Railway would become of special importance in the campaign of 1917, and Lord Milner therefore
held a conference on February 19th (new style) at which the following were present:

Present:

Ministry of Communication:
  M. Bogachev. Chief of Communication on Railways.
  M. Liverowsky. Chief of Construction Department.

Ministry of Finance:
  M. Shatelen.

Marine Ministry:
  Vice-Admiral Ougmmorf. Chief of Transport Department of Admiralty.

Ministry of Commerce:
  M. Kandiba. Chief of Port Department of Ministry of Commerce.
  M. Linden. Assistant to M. Kandiba.

Ministry of Communication:
  M. Gorichkovsky. Chief Constructor of Murman Railway.

War Department:
  Major-General Vseroloovsky. Chief of War Communication.

Marine Ministry:
  Vice-Admiral Korvin. Commander-in-Chief, Archangel.

The information supplied at this conference was as follows:

During January 39,500 tons arrived at Romanov; of this, 24,200 tons was still afloat and 15,200 tons had been unloaded—9,000 at Romanov, 1,700 tons at Drovinnoi, and 4,500 tons into icebreakers for Romanov. Of the material unloaded at Romanov, 3,800 tons had been despatched by rail, and 5,200 tons was on shore, mostly in open storage.

The capacity of the railway from the 10th February to end of April (Russian style) was estimated at 120,000 tons. This was expected to be carried as follows:

- February 8th-28th - 80 cars a day - 1,600 cars.
- March - - - 135 ,, - - - 4,050 ,,.
- April - - - 165 ,, - - - 4,950 ,,

10,000 at 11 to 12 tons a car.

- 120,000 tons.

The unloading was expected to keep pace with this programme from 3½ berths in February, 4½ berths in March, and 5½ berths in April.

Up to the date when we left Russia, however, these anticipations had not been fulfilled, actual despatches by railway to February 7th (old style) being as follows:

<table>
<thead>
<tr>
<th>Date (O.S.)</th>
<th>Weight despatched</th>
<th>No. of Wagons</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 2</td>
<td>267</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>173</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>160</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>158</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>202</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>49</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>209</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>356</td>
<td>32</td>
<td>2 trains.</td>
</tr>
<tr>
<td>18</td>
<td>184</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>184</td>
<td>15</td>
<td>2 trains.</td>
</tr>
<tr>
<td>20</td>
<td>100</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Jan. 22</td>
<td>149</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>205</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>211</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>405</td>
<td>16</td>
<td>28</td>
</tr>
<tr>
<td>26</td>
<td>170</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>174</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>194</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>236</td>
<td>26</td>
<td>13</td>
</tr>
<tr>
<td>Feb. 1</td>
<td>184</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>184</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>772</td>
<td>63</td>
<td></td>
</tr>
</tbody>
</table>

5,180 / 447 = From a total of 27 trains.
Some of the causes of the difficulty are indicated in the following extract from Lord Milner's notes:

"The position which we found on arrival at Romanoff on February 25th was very different from what we had been led to hope from our interview at Petrograd. The tonnage hung up at Romanoff on that day amounted to about 55,000 tons, viz., 48,000 tons in ships and 7,000 tons on shore. Some of the ships had been lying idle with goods on board for three or four weeks, a fearful waste of tonnage. The cause of this block was entirely the inability of the railway to remove the goods.

"The wharves are now capable of landing 1,500 tons a day, but the average which the railway is able to remove is only 200 tons, and unless there is a radical change in the management it seems difficult to hope that this will be materially increased, whereas it would need the removal of something like 1,000 tons a day to clear away the goods now at Romanoff and those on their way at sea, 10,000 tons, before the thaw sets in, when it is admitted by everybody that the line will be unusable for some time.

"The principal cause of this failure is shortage of rolling stock, especially engines. I think myself that it is engines which are most at fault, for we saw a very large number of trucks on the lines as we came up immobilised at various points. One of the great reasons why engines are so short is that there are no adequate repair facilities at Romanoff (I am not sure that there are any elsewhere on the line), so that even a slight injury to an engine, which might be put right in a few hours, may immobilise it for weeks. We were told that as many as 55 engines were at present out of action.

"General Wilson sent an urgent telegram from Romanoff to the Minister of War at Petrograd, pointing out these facts. I also telegraphed in the same sense to Mr. Bury. Both these messages went on the 25th."

The Admiralty Transport Officer also takes a not very optimistic view of the situation, as the following cable to the Admiralty shows:

"The following telegram to General Hermann begins:—

"Three berths working at Romanoff. Also railway berth equalling one quarter berth. Fourth berth will be ready end Russian February. Fifth berth, end of March Draviano will remain idle as no connection with railway and ice-breaker service being ended. Discharging capacity of each berth under best conditions 360 tons per day. Up to now, however, average discharge per berth per day of 24 hours was under 200 tons.

"In view of the above it is quite impossible even under most favourable conditions to discharge at Romanoff wharves between Russian February 1st and May 1st more than 100,000 tons approximately, of which over 30,000 tons already in port, the discharge of which will occupy over 40 days if wagons at wharves provided.

"The serious obstacles which delay discharging are insufficiency rolling stock and bad handling of same. For instance, the last three days the work at wharves has been reduced to an appalling extent owing solely to lack of platforms, while I see at storage place about 100 loaded platforms of munitions idle and no attempt being made to discharge them. Work on shore mostly carried out by crippled soldiers who work carelessly and leisurely with hardly any supervision.

"There is practically no repairing workshop here and dozens of trucks remain idle for want of repair.

"At present, only one train of 15 wagons leaves Romanoff per day. If rolling stock available, present state of railway would allow of three trains per day. In order to despatch by rail 100,000 tons before May 1st it is imperative that from February 20th 8 trains should leave here per day from March 1st, 9 trains per day from April 1st, 11 trains per day, this calculated on 15 wagons per train. Configuration of line only permits this quantity. To attain this, improvements of line junctions, water service, and all branches of management are necessary as well as sufficient rolling stock. For this reason I have started calculation from February 20th. Still, it is questionable whether these improvements can be effected in time to carry out the above programme before May 1st, further use of line after that date being very doubtful owing to spring water, track not being consolidated in many places.

"There are seven warehouses for munitions, total capacity 2,500 tons, but are at present filled with naval base provisions.

"Open storage space is long and narrow of about 8,000 sagens square situated between buildings. Over 6,000 tons munitions now lying in open storage, majority of which are explosives, powder included. Fire danger is evident, workmen's..."
barracks, kitchens, bakeries in close proximity; especially as large fires are kept; in fact, several fires have already occurred in Romanoff.

"Should even an accidental fire occur in these workmen's quarters, Romanoff is doomed to be blown up.

"Only one floating crane of 45 tons capacity here; should it be damaged discharge of heavy weight will be delayed; at present it is temporarily damaged.

"Transportation by rail of heavy artillery can be effected, provided some special arrangements are made. These have been arranged between transport officers and myself. More details for personal report. Leaving for Petrograd to-morrow, Thursday, 'Anrep' ends."

This officer and myself have had long consultations together, and I quite agree with his remarks and his figures.

The Minister of Railways has undertaken to visit Romanoff with Mr. Bury, and at the meeting at Petrograd we were told that the Traffic Department of the Ministry of Railways was taking over the management of the line for the first time from the Construction Department; and this unity of management with the other Russian railway systems should enable considerable help to be furnished to Romanoff.

The Minister of War was very anxious to press on with the clearing of the port, and has promised to send fresh and better quality labour; it is therefore possible that General Poole, who has gone to Romanoff, will shortly be able to report a considerable improvement.

As regards Kem, which will take in coal during the summer, the present situation is given in the further attached extract from Lord Milnor's notes:—

"On our return journey the Vice-Consul at Kem, Mr. Woodhouse, came to see me in the train on Friday, February 23rd, and we had a quarter of an hour's conversation. He had been at Kem since August last; prior to that time there was no British consular officer there, nor indeed was there any trade. Kem was a place of 3,000 inhabitants before that, and its present importance is entirely due to the Murman Railway.

"The imports into Kem from abroad last year seem to have been entirely coal; 98,000 tons were imported last summer. Of these, only 26,000 tons had been moved, and that only since the beginning of December. 72,000 tons are still lying in the snow at Kem, though he thought that that would not do the coal any harm.

"Mr. Woodhouse could not see any sign of the railway moving the coal more quickly than it had been doing, viz., about 8,000 tons a month. He told me that a much larger importation was expected this year. Last year there had been five berths. They were now busy constructing additional berths, intending to bring the number up to 12. There was an energetic engineer in charge, and he thought they would get this done. They reckoned on importing 500,000 tons this year, but Mr. Woodhouse was sceptical of the possibility of doing so. He would be surprised if they unloaded and removed more than half that quantity.

"I asked him as to the depth of water. He said that since the harbour had been dredged the depth was now quite adequate, and was as much as 28 feet at the quay side at low water, enough to take any collier. They would have to keep on dredging, but on this score he had no anxiety.

"The thing which seemed to trouble him most was that the place had no protection. He was afraid that a submarine might get there and would have no difficulty in destroying the piers and knocking the whole installation for landing goods to pieces. I asked him whether there was any protection for the harbour works and coal stacks on land. He said there were some guards, but he did not seem to feel very satisfied as to their adequacy. He told me confidentially that an attempt had been made to set fire to the stacks recently, and a dynamite bomb had been discovered. He said that this was kept secret, but he was sure of the facts. He intended to report the want of protection to the Embassy.

"I told him that I would mention the fact to the Admiralty, but that he had better also let the Ambassador know."
ANNEX 3.

DRAFT SCHEME FOR THE MILITARIZATION OF LABOUR AT ARCHANGEL.

Suggestions with regard to Imports into Russia for 1917.

The experience of last year at Archangel renders it imperatively necessary to effect a radical change in the conditions of labour at that port. The urgent necessity of quick unloading and despatch on account of shortage of tonnage accentuates the matter.

A military organisation for this purpose seems the only possible and effective plan, and the inclosure puts forward this and some other matters intimately connected with discharge of steamers in White Sea ports.

It is also thought that the chances of further explosions would be much reduced by the extension of military discipline in these ports.

With regard to Munitions:

1. The Russian Government undertake to provide a military organisation of active service Army to deal with all munitions from rail of ship to ultimate deposit in railway wagons.

The organisation to be officered by active service officers and to be under the immediate command of a Russian military officer of rank, who will be directly responsible to the Vice-Admiral commanding for the due performance of the work.

A British officer from the Naval Transport Department to be attached to the Commanding Officer of the organisation.

The organisation will also undertake the duties of military police for all munitions discharging points, provide sentries for all ships and barges having explosives on board, and generally regulate the work under the conditions of strict military discipline of an army in the field in war time.

The organisation to be furnished with an adequate supply of horses and suitable carts.

Where difficulty is found in requisitioning the necessary horses and carts locally, these are to be supplemented as necessary from military resources.

The organisation to be of sufficient strength to continue work by day and night, and to deal with 600 tons daily from each ship discharging.

A detachment of 300 Russian seamen from Imperial Navy or its Reserves to be attached to organisation.

The number will be increased or diminished, as experience requires.

The organisation to be employed solely for work in connection with general cargo, which will be kept apart and distinct from coal.

The organisation to be fitted with suitable wet weather clothing.

The same to be served out to stevedores employed at their own cost.

2. General cargo work to be independent of public holidays, and steps to be taken by Russian Government to prevent depletion of stevedores during harvest time.

3. Customs' tallying staff to be increased to obviate all delays in this respect.

Increase to be on the basis of 600 tons a day from every ship discharging.

4. With reference to the above arrangements, the organisation will handle all cargo discharged at any of the munitions discharging points, irrespective of the nature of the goods or whether they are consigned to firms, Ministries or Government departments.

Coal.

(a) The due performance of the stevedoring work to be under the supervision of the British Naval Transport Department, both at Archangel and Kem.

(b) The Russian Government to guarantee the supply to the stevedoring contractors of the requisite labour, should it be required.

The amount of such labour to be based on an estimate of at least 200 per ship for each ship discharging.

These may be either active service men or reserve men, but they must be capable of heavy work.

(c) Suitable accommodation for all labourers to be provided.
(d) The Russian Government to undertake the rationing of all labourers supplied by them, and to make suitable arrangements for the purchase by private labour of suitable provisions.

(e) Arrangements to be made by Russian Government for the supply of wet weather clothing for all labourers, in order that work may proceed irrespective of weather.

(f) Arrangements with regard to harvest and holidays to be similar to those made for general cargo.

(g) The Russian Government to put in hand at once the necessary arrangements for the construction of baskets and wheelbarrows, and for the supply of the necessary shovels, cordage, timber and nails.

The supply of all these necessaries to be adequate to the needs of the whole season, allowing for wastage.

These appliances to be sold or hired to the various stevedoring firms at cost price.

(h) The bunkering of steamers to be carried out by the stevedoring firms under the supervision of the British Naval Department.

General.

(1) The Russian Government undertakes the efficient lighting of all the ships' holds, wharves, barges, and store houses, where special arrangements are necessary.

(2) Efficient telephone communication to be provided between Archangel, Bakaritza, and other points where cargo is being discharged.

(3) The telephone system to be accessible to all engaged in transport work.

(4) The first entry of ships into Archangel depends on matters outside human control. It is, however, necessary that labour should be ready and on the spot, and wages paid ready for an early opening of navigation.

All contractors to be indemnified against loss on this account. The definite date on which such indemnity ceases to be fixed by the Vice-Admiral Commanding.

(5) All tugs to be requisitioned by Russian Government except British Government tugs.

(6) The whole work of the port, so far as it is affected by the above agreement, shall be under the general control of the Vice-Admiral Commanding, who will have a deciding voice as questions arise.
Conference of the Allies at Petrograd, January–February 1917.

SUB-COMMISSION ON MUNITIONS.

PART IV.—LIST OF ARTILLERY MATERIAL WHICH CANNOT BE MADE IN RUSSIA.

During the Period up to the 1st January, 1918.

(With Comments by the British Delegates.)
**E = England, F = France. Italics denote alterations or additions to the Russian text.**

<table>
<thead>
<tr>
<th>No.</th>
<th>Names (Specifications) of Materials</th>
<th>The quantity of Materials which cannot be made in Russia.</th>
<th>As decided by the Conference—Possible to get from Abroad.</th>
<th>Impossible to get from Abroad.</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. GUNS.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>3-in. field guns</td>
<td>4,964</td>
<td>4,964</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>3-in. cradles</td>
<td>770</td>
<td>770</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>5-in. tubes</td>
<td>1,049</td>
<td>1,049</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>3-in. mountain</td>
<td>1,033</td>
<td>1,033</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>5-in. cradles</td>
<td>164</td>
<td>164</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Anti-aircraft guns</td>
<td>772</td>
<td>772</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>4.8-in. howitzers</td>
<td>1,244</td>
<td>1,244</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>4.6-in. howitzers</td>
<td>180</td>
<td>180</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>4.8-in. cradles</td>
<td>222</td>
<td>222</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>6-in. howitzers and 60-prs.</td>
<td>284</td>
<td>E 96</td>
<td>168</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>6-in. Schneider and 155-mm.</td>
<td>681</td>
<td>681</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>8-in. howitzers</td>
<td>111</td>
<td>E 48</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>9.2-in. howitzers</td>
<td>162</td>
<td>E 24</td>
<td>129</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>11-in. howitzers</td>
<td>116</td>
<td>116</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>12-in. howitzers</td>
<td>31</td>
<td>31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Trench guns</td>
<td>3,850</td>
<td>3,850</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Medium trench mortars</td>
<td>600</td>
<td>E 100*</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Heavy trench mortars</td>
<td>1,950</td>
<td>E F 610</td>
<td>1,150</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>60-pr. gun</td>
<td>199,200</td>
<td>199,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>155-mm.</td>
<td>330,000</td>
<td>165,000</td>
<td>165,000</td>
<td></td>
</tr>
</tbody>
</table>

1. Neither France nor Great Britain could offer any additional assistance.
2. Question of foreign orders for tubes not finally decided, but England promised to put the necessity of orders before her Government.
3. No additional help possible.

- From England:
  - Cannot count on receiving from England to replace guns damaged by fire or accident 50—4.6-in. howitzers during summer 1917; during winter 1917–18 as many as required to replace those worn out.
  - England said that in addition to 220 heavy guns already ceded, can count on receiving 4 batteries 8-in. howitzers monthly for six months (24 batteries in all) after Archangel opened.
  - England promised to cede 50—2-in. trench mortars with 500 rounds each, and 50 Stokes with 1,000 rounds each. Rounds for these were included in requirements for 47-mm. trench mortars.
  - England promised to raise question of the possibility of ordering 37-mm. trench guns in France.

- From France:
  - Out of 100—155 mm. guns given by France 50 have not yet been sent, but out of these 40 would be given in the nearest future and the last 10 in March.
  - France promised to raise question of the possibility of ordering 37-mm. trench guns in France.

**Remarks:**

- 430 rounds a month promised with each gun sent, i.e., 100 a week.
- France promised to send 50—2-in. trench mortars with 600 rounds each, and 50 Stokes with 1,000 rounds each. Rounds for these are included in requirements for 47-mm. trench mortars.
<p>| | | | |</p>
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<thead>
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</thead>
<tbody>
<tr>
<td>21</td>
<td>36</td>
<td>120-mm...</td>
<td>442,000</td>
</tr>
<tr>
<td>22</td>
<td>37</td>
<td>120-mm. Vickers</td>
<td>E 425,000</td>
</tr>
<tr>
<td>23</td>
<td>40</td>
<td>8-in. howitzer</td>
<td>189,000</td>
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<td>24</td>
<td>41</td>
<td>11-in. howitzer</td>
<td>84,000</td>
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<td>25</td>
<td>42</td>
<td>12-in. howitzer</td>
<td>50,000</td>
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<td>26</td>
<td>43</td>
<td>Trench guns</td>
<td>98,000</td>
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<tr>
<td>27</td>
<td>44</td>
<td>58-mm. trench mortar</td>
<td>200,000</td>
</tr>
<tr>
<td>28</td>
<td>45</td>
<td>47-mm. trench mortar</td>
<td>400,000</td>
</tr>
<tr>
<td>29</td>
<td>45</td>
<td>Heavy trench mortar</td>
<td>870,000</td>
</tr>
<tr>
<td>30</td>
<td>49</td>
<td>Machine guns</td>
<td>90,137</td>
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<tr>
<td>31</td>
<td>51</td>
<td>Machine guns for aeroplanes</td>
<td>1,600</td>
</tr>
<tr>
<td>32</td>
<td>55</td>
<td>Rifle barrels</td>
<td>360,000</td>
</tr>
<tr>
<td>33</td>
<td>64</td>
<td>Browning automatic pistol</td>
<td>5,000,000</td>
</tr>
<tr>
<td>34</td>
<td>67</td>
<td>Stereoscopic, large</td>
<td>2,343</td>
</tr>
<tr>
<td>35</td>
<td>68</td>
<td>Stereoscopic, small</td>
<td>6,259</td>
</tr>
<tr>
<td>36</td>
<td>69</td>
<td>Field glasses—Prismatic</td>
<td>124,300</td>
</tr>
<tr>
<td>37</td>
<td>71</td>
<td>For machine guns</td>
<td>4,880</td>
</tr>
<tr>
<td>38</td>
<td>72</td>
<td>For artillery</td>
<td>2,337</td>
</tr>
</tbody>
</table>

**3. Machine Guns.**

Promised from France 45,000 rounds a month, counting from 1st February, which makes up to the 1st January, 1918, 493,000 rounds.

10,000 shells, filled and fuzed, promised from England (without cartridges or cartridge cases).

Commencing January 1917, England promised 4,000 a month (48,000 a year) for 8-in. howitzers (Vickers), and also 300 a month for each 8-in. howitzer sent by England and received from Midvale, America, i.e., 75 a week.

France promised 3,000 a month.

England promised 10,000 shells, filled and fuzed, for 12-in. howitzers (Obklass) (without cartridges or cartridge cases), and for 12-in. howitzers (Vickers) 469 complete rounds a week, beginning January 1917 = 21,600 in year.

Question of foreign orders for 58-mm. bombs not finally decided.

* Including 50,000 Stokes, and 25,000 for 2-in. trench mortars from England.

Impossible to order 89-mm. abroad; for 94-mm. promised to code 500 for each of the 330 trench mortars ordered = 165,000 rounds; out of that amount 30,000 rounds included in programme of supplies, and remainder, 135,000, shown as again yielded. Besides this, France allows 240,000 for 240-mm. and 38-mm. trench mortar (400 each trench mortar).

France, 2,092, England promised (order of General Hermonius in Coventry) 3,000 machine guns (Hotchkiss). Total, 7,400. After Archangel arms.

England says all aeroplanes will have machine guns. Question of orders for remainder not decided.

**Question of foreign orders for rifle barrels not decided.**

French delegate promised to send 3,000,000 cartridges for “Browning” pistol, 1,000,000 during April, 1,000,000 in July, and 1,000,000 in October 1917.

Optical glass: None in England, none in America.

Field glasses: American very inferior, but until probably obtain some—impossible to say how many. Russia will obtain reports as to those received and say whether wants more.

Questions of foreign orders for binoculars and optical glass not decided.

At present time, according to Hermans, 500 rangefinders for machine guns ordered, therefore requirements reduced to 4,586. But these ordered from a German firm in U.S.A., and not much hopes of getting them. We will do our best to help.

Question of foreign orders not decided.
England, F = France. Italics denote alterations of or additions to the Russian text.

<table>
<thead>
<tr>
<th>No.</th>
<th>Names (Specifications) of Materials</th>
<th>The quantity of Materials which cannot be made in Russia</th>
<th>As decided by the Conference—</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>39</td>
<td>Parachute signal lights...........</td>
<td>405,000</td>
<td></td>
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</tr>
<tr>
<td>40</td>
<td>Fusées for 3-in. and 4-2-in.......</td>
<td>1,000,000</td>
<td>E 1,000,000</td>
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<td>41</td>
<td>Smokeless powder .................</td>
<td>1,550,644</td>
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<td>42</td>
<td>Black powder for shells and mines</td>
<td>422,500</td>
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<tr>
<td>43</td>
<td>Pyroxiline for making powder....</td>
<td>136,000</td>
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<tr>
<td>44</td>
<td>Trotyl ............................</td>
<td>310,500</td>
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<td>45</td>
<td>Nitrate of ammonia ...............</td>
<td>2,280,000</td>
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<td>46</td>
<td>Chili nitrate .....................</td>
<td>4,700,000</td>
<td>E 2,500,000</td>
<td>2,200,000</td>
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<td>47</td>
<td>Totol ..............................</td>
<td>445,000</td>
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<tr>
<td>48</td>
<td>Aluminium powder .................</td>
<td>8,700</td>
<td>No</td>
<td>8,700</td>
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<tr>
<td>49</td>
<td>Antimony powder Sb. S ............</td>
<td>8,220</td>
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<td></td>
</tr>
<tr>
<td>50</td>
<td>Barium nitrate ? BA(NO₃)........</td>
<td>3,200</td>
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</tr>
<tr>
<td>51</td>
<td>Silk for cartridge bags ..........</td>
<td>742,000</td>
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</tbody>
</table>

It is not quite known what these are, except that they are not Very pistol, and General Jackson displayed them at the Stockade. We can only provide our service pattern, but if that is accepted, will provide a considerable number, probably all. This is the article mentioned in § 77 of the Note explicatif.

Question of foreign orders for parachutes rockets not decided.

Ordered in France.

England guaranteed orders for smokeless powder in course of year for 1,800,000 poods (80,000 tons), 742,000 poods of which already included in programme, and remainder, 1,019,500 poods, placed in column 5. Cannot say till mission returns to England.

Question of foreign orders for black powder and explosives not gone into. Amount available must be allocated between Allies by Committee in England.

England guaranteed orders for 7,000,000 poods (i.e., 10,000 tons a month) during year; 4,500,000 of which already included in programme; remainder, 2,500,000 poods, placed in column 5. Will send a Russian officer to see our processes of filling so as to reduce proportion. Cannot supply.

Will supply.

Cannot say till return of mission. Will do our best.

Question of foreign orders for silk textures not decided. France proposes to go into question of wool texture instead of silk.
## 14. CHEMICALS.

<table>
<thead>
<tr>
<th>Entry</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
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</thead>
<tbody>
<tr>
<td>52</td>
<td>NaC, Vincennite?</td>
<td>tons</td>
<td>300</td>
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<td>53</td>
<td>CaCO₃</td>
<td>..</td>
<td>1,000</td>
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<tr>
<td>54</td>
<td>Cylinders of compressed air for &quot;Flammenwerfer&quot;</td>
<td>..</td>
<td>2,000</td>
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</tbody>
</table>

## 15. HARNES.

<table>
<thead>
<tr>
<th>Entry</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>Six-horse sets complete with saddles</td>
<td>43,155</td>
<td>F 3,466</td>
</tr>
<tr>
<td>56</td>
<td>Saddles</td>
<td>..</td>
<td>11,272 F 11,000</td>
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</tbody>
</table>

**17. FACTORY MACHINERY.**

<table>
<thead>
<tr>
<th>Entry</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>57</td>
<td>Various, to amount of .. roubles</td>
<td>25,000,000</td>
<td>..</td>
</tr>
</tbody>
</table>

**February 7, 1917.**

---

France supplies 6-horse sets complete for 133 guns, and 2-horse sets complete with saddle, 5,000 of a lot, and 500 a month, beginning from March, until 10,000 2-horse sets, which would make 3,333 6-horse sets.

For Russian made guns, Cannot say till return to England. Pressing.

France supplies 11,000 saddles.

Question of England supplying harness not gone into.

Present orders are more than we could ship if they were delivered, which is very unlikely. No good ordering more. Question of lathes and machinery not gone into.
CONFERENCE OF THE ALLIES AT PETROGRAD,
JANUARY-FEBRUARY 1917.

SUB-COMMITTEE ON MUNITIONS.

PART V.

NOTES AND TABLES

ON THE

PRESENT AND PROSPECTIVE MUNITION OUTPUT OF RUSSIA.
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.—Artillery and Ammunition</td>
<td>3</td>
</tr>
<tr>
<td>B.—Aviation</td>
<td>18</td>
</tr>
<tr>
<td>C.—Explosives and Propellants</td>
<td>22</td>
</tr>
<tr>
<td>D.—Metals</td>
<td>23</td>
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<tr>
<td>E.—Railways</td>
<td></td>
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<tr>
<td>F.—Technical Department</td>
<td>31</td>
</tr>
<tr>
<td>G.—&quot;Intendance&quot; Department</td>
<td></td>
</tr>
<tr>
<td>H.—Commerce and Industry</td>
<td>32</td>
</tr>
<tr>
<td>I.—Agriculture</td>
<td>38</td>
</tr>
</tbody>
</table>
According to returns received from Russia last Autumn, the anticipated output at home of guns and ammunition during March and June 1917 respectively, is as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Monthly Output of Ammunition</th>
<th>Monthly Output of New Guns</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Empty shells)</td>
<td></td>
</tr>
<tr>
<td>Class I.—3-in. Field and mountain guns</td>
<td>2,865,000</td>
<td>2,885,000</td>
</tr>
<tr>
<td>Class II.—(a) 4.5-in. guns</td>
<td>36,000</td>
<td>92,000</td>
</tr>
<tr>
<td></td>
<td>(b) 4.5-in., 4.8-in., 5-in. howitzers</td>
<td>356,000</td>
</tr>
<tr>
<td>Class III.—(a) 6-in. guns</td>
<td>276,000</td>
<td>378,000</td>
</tr>
<tr>
<td></td>
<td>(b) 6-in. howitzers</td>
<td>153,000</td>
</tr>
<tr>
<td>Class IV.—(b) 8-in., 9.2-in., 11-in., and 12-in. howitzers</td>
<td>3,880</td>
<td>3,780</td>
</tr>
</tbody>
</table>

In addition to the above, it was anticipated that there would be a monthly output from Russian factories in March of 128,000 rifles, 126 machine-guns and 166 million rounds of S.A.A.

The following tables show the monthly output of guns and ammunition during 1916 and in some cases during 1915. A table is also attached showing the total requirements of guns and ammunition during 1917 and the additional orders which would have to be placed either in Russia or abroad to meet them.

**ARTILLERY.**

*Monthly Output of Guns and Howitzers during 1915.*

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<tbody>
<tr>
<td>3-in. field guns</td>
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<tr>
<td>From home</td>
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<td>80</td>
<td>132</td>
<td>150</td>
<td>155</td>
<td>216</td>
<td>231</td>
<td>295</td>
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<td>abroad</td>
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<td>3-in. mountain guns</td>
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<td>From home</td>
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<td>4.2-in. guns</td>
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<td>4.8-in. and 4.5-in. howitzers</td>
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</table>
### ARTILLERY.

**Monthly Output of Guns and Howitzers during 1916.**

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<tbody>
<tr>
<td>6-in. howitzer:</td>
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### GUN AMMUNITION

**Monthly Output of Shells during 1916.**

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</table>

| **4-2-in.**   |      |       |       |       |       |       |       |      |      |
| Output of empty shell: |      |       |       |       |       |       |       |      |      |
| Russian       | 64,600  | 41,500 | 62,800 | 55,700 | 65,200 | 53,700 | 52,300 | 61,900 | 64,600  |
| Foreign       |      |       |       |       |       |       |       |      |      |
| Total         | 64,600  | 41,500 | 62,800 | 55,700 | 65,200 | 53,700 | 52,300 | 61,900 | 64,600  |

| **5-in.**     |      |       |       |       |       |       |       |      |      |
| Output of empty shell: |      |       |       |       |       |       |       |      |      |
| Russian       | 96,200 | 136,800 | 148,000 | 204,000 | 248,400 | 299,500 | 320,000 | 375,300 | 385,500 |
| Foreign       |      |       |       |       |       |       |       |      |      |
| Total         | 96,200 | 136,800 | 148,000 | 204,000 | 248,400 | 299,500 | 320,000 | 375,300 | 385,500 |

| **5-1/2-in.** |      |       |       |       |       |       |       |      |      |
| Output of empty shell: |      |       |       |       |       |       |       |      |      |
| Russian       | 33,200 | 42,200 | 69,800 | 65,500 | 83,300 | 106,700 | 131,600 | 160,700 | 249,000 |
| Foreign       |      |       |       |       |       |       |       |      |      |
| Total         | 33,200 | 42,200 | 69,800 | 65,500 | 83,300 | 106,700 | 131,600 | 160,700 | 249,000 |

Total for the Nine Months: 39,538,000
**Gun Ammunition.**

**Monthly Output of Complete Rounds (H.E. and Shrapnel) during 1915 and 1916.**

<table>
<thead>
<tr>
<th>Date</th>
<th>3-in. Field Shells</th>
<th>3-in. How. Shells</th>
<th>4.5-in. and 8-in. Ho. Shells</th>
<th>6-in. Shells</th>
</tr>
</thead>
<tbody>
<tr>
<td>1915</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>357,771</td>
<td>357,771</td>
<td>45,700</td>
<td>107,892</td>
</tr>
<tr>
<td>February</td>
<td>362,692</td>
<td>362,692</td>
<td>34,275</td>
<td>14,496</td>
</tr>
<tr>
<td>March</td>
<td>470,664</td>
<td>470,664</td>
<td>47,000</td>
<td>18,120</td>
</tr>
<tr>
<td>April</td>
<td>462,509</td>
<td>462,509</td>
<td>68,650</td>
<td>14,496</td>
</tr>
<tr>
<td>May</td>
<td>639,584</td>
<td>639,584</td>
<td>68,500</td>
<td>10,672</td>
</tr>
<tr>
<td>June</td>
<td>688,192</td>
<td>688,192</td>
<td>68,500</td>
<td>11,248</td>
</tr>
<tr>
<td>July</td>
<td>768,982</td>
<td>768,982</td>
<td>17,905</td>
<td>57,125</td>
</tr>
<tr>
<td>August</td>
<td>965,094</td>
<td>965,094</td>
<td>82,359</td>
<td>21,120</td>
</tr>
<tr>
<td>September</td>
<td>1,194,458</td>
<td>1,194,458</td>
<td>35,177</td>
<td>23,884</td>
</tr>
<tr>
<td>October</td>
<td>1,399,182</td>
<td>1,399,182</td>
<td>18,072</td>
<td>20,070</td>
</tr>
<tr>
<td>November</td>
<td>1,046,559</td>
<td>1,046,559</td>
<td>80,000</td>
<td>18,680</td>
</tr>
<tr>
<td>December</td>
<td>1,224,983</td>
<td>1,224,983</td>
<td>152,000</td>
<td>50,300</td>
</tr>
</tbody>
</table>

| 1916     |                    |                  |                             |             |
| January  | 1,400,916          | 248,084          | 1,650,000                   | 80,000      |
| February | 1,239,400          | 126,600          | 1,350,000                   | 75,000      |
| March    | 1,155,000          | 120,000          | 1,275,000                   | 67,666      |
| April    | 1,140,118          | 103,882          | 1,240,000                   | 66,766      |
| May      | 1,289,388          | 210,500          | 1,490,000                   | 85,500      |
| June     | 1,270,408          | 850,000          | 1,120,500                   | 68,500      |
| July     | 1,355,869          | 894,110          | 2,251,000                   | 98,800      |
| August   | 1,592,714          | 894,110          | 2,251,000                   | 98,800      |
| September| 1,705,618          | 1,020,394        | 2,725,012                   | 98,800      |
| October  | 1,329,965          | 1,029,889        | 2,359,150                   | 98,800      |
| November | 1,421,514          | 1,375,890        | 2,798,404                   | 98,800      |
| December | 1,705,225          | 780,819          | 2,485,574                   | 98,800      |

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*The difference between the figures given in this table and in the table above is due to the fact that the latter figures include shrapnel shells. In the case of 6-inch there should be no difference as no shrapnel shells are produced. The two tables were arrived at from different sources and it is not possible to reconcile figures in detail.*

**H.E. Shells filled in Russia Monthly during 1916.**

<table>
<thead>
<tr>
<th>Shell</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-in.</td>
<td>554,800</td>
<td>561,300</td>
<td>617,400</td>
<td>627,200</td>
<td>739,600</td>
<td>963,900</td>
<td>1,147,500</td>
<td>1,387,700</td>
<td>1,536,200</td>
<td>1,466,500</td>
<td>1,292,400</td>
<td>No figures</td>
</tr>
<tr>
<td>4-in.</td>
<td>19,300</td>
<td>16,700</td>
<td>17,900</td>
<td>15,200</td>
<td>18,100</td>
<td>8,900</td>
<td>11,200</td>
<td>82,900</td>
<td>18,700</td>
<td>30,100</td>
<td>15,900</td>
<td>213,900</td>
</tr>
<tr>
<td>5-in.</td>
<td>39,700</td>
<td>44,000</td>
<td>56,300</td>
<td>55,900</td>
<td>62,000</td>
<td>56,300</td>
<td>45,000</td>
<td>65,000</td>
<td>115,000</td>
<td>129,600</td>
<td>201,800</td>
<td>123,399</td>
</tr>
<tr>
<td>6-in.</td>
<td>39,600</td>
<td>28,700</td>
<td>53,900</td>
<td>33,800</td>
<td>57,700</td>
<td>63,800</td>
<td>61,000</td>
<td>108,700</td>
<td>180,800</td>
<td>149,000</td>
<td>151,000</td>
<td>151,000</td>
</tr>
<tr>
<td>Over 6</td>
<td>1,220</td>
<td>1,170</td>
<td>3,560</td>
<td>2,750</td>
<td>1,320</td>
<td>185</td>
<td>4,500</td>
<td>5,990</td>
<td>2,470</td>
<td>1,200</td>
<td>1,200</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Rifles</td>
<td>S.A.A.</td>
<td>Machine Guns</td>
<td>Grenades</td>
<td>Trench Mortars</td>
<td>Ammunition for Trench Mortars</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.</td>
<td>34,060</td>
<td>89,000</td>
<td>123,060</td>
<td>49,879,800</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb.</td>
<td>39,360</td>
<td>25,913</td>
<td>65,273</td>
<td>71,789,700</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>40,003</td>
<td>10,000</td>
<td>50,003</td>
<td>72,998,708</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>29,650</td>
<td>28,308</td>
<td>51,958</td>
<td>71,470,800</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>54,930</td>
<td>16,181</td>
<td>71,111</td>
<td>63,675,985</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>63,760</td>
<td>35,500</td>
<td>102,260</td>
<td>71,588,500</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>66,261</td>
<td>57,462</td>
<td>123,723</td>
<td>90,299,383</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aug.</td>
<td>71,556</td>
<td>24,700</td>
<td>96,111</td>
<td>112,261,200</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sept.</td>
<td>73,952</td>
<td>11,060</td>
<td>85,011</td>
<td>110,409,290</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct.</td>
<td>65,088</td>
<td>10,001</td>
<td>75,089</td>
<td>120,613,250</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov.</td>
<td>80,085</td>
<td>81,140</td>
<td>161,235</td>
<td>172,059,700</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec.</td>
<td>84,835</td>
<td>187,682</td>
<td>272,257</td>
<td>207,110,000</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**1916.**

| Jan.   | 89,404 | 54,762 | 144,166      | 143,601,560| —              | —                           |
| Feb.   | 86,939 | 80,126 | 167,065      | 144,581,608| —              | —                           |
| March  | 100,500 | 141,538 | 242,888     | 150,766,000| —              | —                           |
| April  | 100,036 | 140,864 | 281,900     | 150,888,840| —              | —                           |
| May    | 103,068 | 144,377 | 247,444     | 154,370,820| —              | —                           |
| June   | 104,315 | 89,341 | 189,656      | 158,727,595| —              | —                           |
| July   | 109,822 | 48,098 | 158,920      | 168,261,006| —              | —                           |
| Aug.   | 111,015 | 54,100 | 168,115      | 170,861,800| —              | —                           |
| Sept.  | 117,260 | 54,020 | 171,280      | 180,717,210| —              | —                           |
| Oct.   | 123,680 | 27,460 | 151,140      | 186,547,095| —              | —                           |
| Nov.   | 125,662 | 71,135 | 196,797      | 202,175,800| —              | —                           |
| Dec.   | 127,260 | 69,072 | 196,332      | 205,358,200| —              | —                           |
### Artillery and Ammunition

**Additional Assistance Required by Russia from Abroad during 1917.**

<table>
<thead>
<tr>
<th></th>
<th>Total Requirement for 1917</th>
<th>Amount already on Order</th>
<th>Amount still to be Ordered</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In Russia</td>
<td>From Abroad</td>
<td>Total</td>
<td>In Russia</td>
</tr>
<tr>
<td><strong>Guns</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3-in. guns—guns</td>
<td>9,220</td>
<td>4,086</td>
<td>1326</td>
<td>170</td>
</tr>
<tr>
<td>3-in. guns—cradles</td>
<td>1,200</td>
<td>100</td>
<td>(British).</td>
<td>100</td>
</tr>
<tr>
<td>3-in. guns—spare tubes</td>
<td>3,780</td>
<td>280</td>
<td>(British).</td>
<td>1,500</td>
</tr>
<tr>
<td>3-in. mountain guns—guns</td>
<td>1,620</td>
<td>358</td>
<td>—</td>
<td>338</td>
</tr>
<tr>
<td>3-in. mountain guns—cradles</td>
<td>412</td>
<td>48</td>
<td>(British).</td>
<td>200</td>
</tr>
<tr>
<td>Anti-aircraft guns</td>
<td>1,032</td>
<td>264</td>
<td>(British 4).</td>
<td>16</td>
</tr>
</tbody>
</table>

The Russian Committee in London has been instructed to order 2,000 spare tubes. The Russian Committee in London has been instructed to order 350 cradles.
<table>
<thead>
<tr>
<th>4-5-in. and 4-8-in. howitzers— 2,216</th>
<th>540</th>
<th>252</th>
<th>1,424</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-5-in. and 4-8-in. howitzers— 60</td>
<td>190</td>
<td>60</td>
<td>222</td>
</tr>
<tr>
<td>cradles (4-8-in.)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6-in. howitzers and 5-in. gun— 676</th>
<th>240</th>
<th>152</th>
<th>392</th>
</tr>
</thead>
<tbody>
<tr>
<td>(60-prs.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-in. Schneider gun and 155 mm. gun— 812</td>
<td>31</td>
<td>100</td>
<td>681</td>
</tr>
<tr>
<td>(French)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8-in. howitzers— 211</th>
<th>100</th>
<th>111</th>
</tr>
</thead>
<tbody>
<tr>
<td>(British 50)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(U.S.A. 50)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Requirement of 4-5-in. and 4-8-in. howitzers arrived at as follows:

- To make up 3 batteries of 4 guns each to each division of infantry and "chasseurs." 740 to make up 3 batteries of 4 guns each to each division of infantry and "chasseurs." 1,296 to make good wastage in 4-5-in. and 4-8-in's., estimated at 108 a month. 180 to replace casualties in 4-5-in's., estimated at 15 a month.

### Requirement of 6-in. howitzers and 5-in. guns arrived at as follows:

- To make up 3 batteries of 4 guns each for each army corps. 432 to replace wastage, estimated at 36 a month.

### General Note as to Heavy Guns.

- 160 heavy guns ("T.A.O.N.") should be at the disposition of each front (75 per cent. 6-in. and 25 per cent. 8-in. to 12-in.), and the High Command should have at its disposition a "T.A.O.N." of 500 heavy guns (25 per cent. 6-in., 75 per cent. 8-in. to 12-in.).

### Requirement of Schneider's and 155 mm. arrived at as follows:

- To form 128 batteries. 300 to make good wastage, estimated at 25 a month.

### Requirement of 8-in. howitzers arrived at as follows:

- To make up 42 batteries. 48 to make good wastage, estimated at 4 a month.
<table>
<thead>
<tr>
<th>Guns—cont.</th>
<th>Total Requirement for 1917</th>
<th>Amount already on Order</th>
<th>Amount still to be Ordered</th>
<th>Remarks</th>
</tr>
</thead>
</table>
| 9.2-in. howitzers | 172 | — | 20 | 152 | Requirement of 9.2-in. howitzers arrived at as follows:—
| | | | | 136 (initial equipment) for the "T.A.O.N."
| | | | | 3% to make good wastage, estimated at 3 a month. |
| 11-in. howitzers | 156 | — | 40 | 116 | Requirement of 11-in. howitzers arrived at as follows:
| | | | | 120 to form 60 batteries.
| | | | | 3% to make good wastage, estimated at 3 a month. |
| 12-in. howitzers | 67 | 36 | — | 31 | Requirement of 12-in. howitzers arrived at as follows:
| | | | | 54 to form 27 batteries of 2 guns each.
| | | | | 13 to make good wastage. |
| Trench guns | 4,476 | 357 | 179 | 3,880 | Requirement of trench guns arrived at as follows:
| | | | | 2,748 to provide 4 guns for each regiment of infantry and "chasseurs."
| | | | | 1,728 to make good wastage, estimated at 144 guns a month. |
| Trench mortars, 47 mm. (Lich- | 1,000 | 180 | — | 820 | The total requirement of trench guns (47 and 58 mm.) is fixed
| en). | | | | at 3,500. 1,559 have been provided or are on order, leaving a balance of 1,991. The revised requirement is for 1,000 guns
| | | | | (47 mm.) as an initial provision. |
| Heavy trench mortars | 2,400 | 300 | 50 | 1,930 | The requirement is for 100 batteries for the "T.A.O.N." The Russian Committee in London has been instructed to order
| | | | | 600 mortars. |
| Gun Ammunition. | 60-pounder | 239,200 | 40,000 | 199,200 | The requirement for 52 guns includes a first equipment of
| | | | | 1,000 rounds a gun, plus 300 rounds a month. The British
Government has undertaken to provide 100 rounds a week for each gun sent to Russia after 1st January 1917.

The requirement (for 100 guns) includes a first equipment of 600 rounds a gun, plus 300 rounds a month, starting from 1st March 1917.

The requirement is arrived at as follows:

(a) For 60 guns already received—a first equipment of 800 rounds a gun, plus 240 rounds a month, starting from 1st March 1917.

(b) For 90 guns about to be delivered—a first equipment of 1,000 rounds a gun, plus 300 rounds a month, starting from 1st March 1917.

The total requirement is calculated as follows:

- For each 155 mm. gun: 330,000 rounds
- For each 120 mm. gun: 442,000 rounds
- For each 8-in. howitzer: 189,000 rounds
- For each 11-in. howitzer: 94,000 rounds
- For each 12-in. howitzer: 50,000 rounds
- For each 450 mm. gun: 8,331,000 rounds
- For each 8-in. howitzer: 450 rounds a week up to 1st January 1918 have been ordered at Vickers for guns of Russian type, but credit is available only for the 11,700 included in the table.

There is a surplus of 3,360,822 rounds for Rosenberg and Nordenfeldt guns and a shortage of 98,331,000 rounds for Macklin guns. The total requirement is calculated as follows:

- 5,000 for each Rosenberg gun
- 25,000 for each Nordenfeldt gun
- 25,000 for each Macklin gun

<table>
<thead>
<tr>
<th>Gun Type</th>
<th>Requirement (Equipment)</th>
<th>Requirement (Monthly)</th>
</tr>
</thead>
<tbody>
<tr>
<td>155 mm. gun</td>
<td>330,000</td>
<td>330,000</td>
</tr>
<tr>
<td>120 mm. gun</td>
<td>442,000</td>
<td>442,000</td>
</tr>
<tr>
<td>8-in. howitzer</td>
<td>189,000</td>
<td>194,000</td>
</tr>
<tr>
<td>11-in. howitzer</td>
<td>84,000</td>
<td>94,000</td>
</tr>
<tr>
<td>12-in. howitzer</td>
<td>50,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Trench guns</td>
<td>98,931,000</td>
<td>98,931,000</td>
</tr>
</tbody>
</table>
### GUN AMMUNITION—cont.

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Requirement for 1917</th>
<th>Amount already on Order</th>
<th>Amount still to be Ordered</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>In Russia.</td>
<td>From Abroad.</td>
<td>Total.</td>
</tr>
</tbody>
</table>
| Trench mortars 58 and 47 mm.    | 2,460,000                 | 1,018,864 | 130,000      | 1,148,864 | 1,061,136 | 230,000      | 1,311,136 | The requirement is arrived at as follows:—  
|                                 |                           | (French). |             |         |           |             |         |         |
|                                  |                           | 1,148,864 |             |         |           |             |         |         |
| Trench mortars (Liebouin) (47 mm.) | 860,000                 | 180,000    |             | 180,000 | 280,000   | 400,000      | 680,000 | The requirement includes:—  
|                                 |                           | (French)   |             |         |           |             |         |         |
|                                  |                           |             |             |         |           |             |         |         |
| Heavy trench mortars             | 2,000,000                 | 248,000    | 30,000      | 278,000 | 52,000    | 870,000      | 922,000 | The deficit is 270,000 9-45-in., and 600,000 89 mm.  
|                                 |                           |            |             |         |           |             |         |         |
| Machine guns                     |                           |            |             |         |           |             |         |         |
| Machine guns (Lewis) and         | 110,000                  | 5,000      | 14,863      | 19,863  | 90,137    | 90,137       |         | The requirement is for a first equipment of 128 for each infantry regiment, 36 for each cavalry regiment, and 10 per cent. reserve.  
| automatic rifles (Chamellet).     |                          |            |             |         |           |             |         |         |
|                                 |                           | (British.  |             |         |           |             |         |         |
|                                 |                           |             |             |         |           |             |         |         |
| Aeroplane machine guns           | 1,600                     | 5,000      | 14,863      | 19,863  | 90,137    | 90,137       |         | 1,600 Vickers or Hotchkias required.  
|                                 |                           |            |             |         |           |             |         |         |
| Rifles, Revolvers, and           | 3,050,000                 | 1,500,000  | 1,100,000   | 2,600,000 | 450,000   | 450,000      |         | 3,050,000 rifles have been ordered in U.S.A., of which the 1,100,000 which appear in the table are likely to be delivered in 1917. The deficit of 450,000 will be furnished by U.S.A. in 1918.  
| Pistols                          |                          |            |             |         |           |             |         |         |

The deficit is 270,000 9-45-in., and 600,000 89 mm.  

The Russian Committee in London has been instructed to order 300,000 9-45-in.
### Small Arms Ammunition

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japanese rifles</td>
<td>150,000</td>
</tr>
<tr>
<td>Rifle barrels</td>
<td>300,000</td>
</tr>
<tr>
<td>Small Arms Ammunition</td>
<td></td>
</tr>
<tr>
<td>3-in. cartridges (British)</td>
<td>2,063</td>
</tr>
<tr>
<td>3-in. cartridges (U.S.A.)</td>
<td>1,289</td>
</tr>
<tr>
<td>Cartridges for Browning pistol</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Optical Instruments</td>
<td></td>
</tr>
<tr>
<td>Periscopes (large)</td>
<td>3,988</td>
</tr>
<tr>
<td>Periscopes (small)</td>
<td>6,589</td>
</tr>
<tr>
<td>Binoculars—prismatic</td>
<td>181,200</td>
</tr>
<tr>
<td>Binoculars—de Gateley</td>
<td>5,900</td>
</tr>
</tbody>
</table>

### A total of 225,000 is required, of which 150,000 should be provided during 1917.

25,000 rifle barrels a month are needed to make good wastage.

The requirement provides for a monthly expenditure of 350 millions and a reserve of 600 millions to meet delays in output.

The shortage of 13 millions is part of the monthly requirements for the first three months of 1917. Should it prove that this shortage will not be met within this period, it will not be necessary to make provision for it.

### Optical Instruments

**General Note.** The manufacture of optical instruments in Russia can only be increased by a larger supply of optical glass from abroad. During 1916, 250 kilos. of glass were imported from France each month on the average, whilst in order fully to utilise the productive capacity of the works in Petrograd 1,000 kilos. a month are needed.

It is also desirable that at least 350 kilos. of "borocilikate-krone" should be imported monthly.

The requirement includes:
- 1,940 for the first equipment of new formations.
- 848 to make good existing deficits.
- 1,200 to make good wastage, estimated at 100 a month.

### Periscopes (large)

- 3,988 (U.S.A.)

### Periscopes (small)

- 6,589

### Binoculars—prismatic

- 181,200

### Binoculars—de Gateley

- 5,900

- 36,000

- 124,300

- 124,300

- 181,200
<table>
<thead>
<tr>
<th></th>
<th>Total Requirements for 1917</th>
<th>Amount already on Order</th>
<th>Amount still to be Ordered</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In Russia</td>
<td>From Abroad</td>
<td>Total</td>
<td>In Russia</td>
</tr>
<tr>
<td><strong>Optical Instruments—cont.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range-finders—for machine guns</td>
<td>4,860</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,860</td>
</tr>
<tr>
<td>Range-finders—for artillery</td>
<td>2,337</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>1,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>597</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>240</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,337</td>
</tr>
<tr>
<td>Range-finders—for anti-aircraft</td>
<td>300</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>guns</td>
<td></td>
<td>—</td>
<td>—</td>
<td>1,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>597</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>240</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>300</td>
</tr>
<tr>
<td>Parachute rockets</td>
<td>400,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>1,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>597</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>240</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>400,000</td>
</tr>
<tr>
<td><strong>Motor Transport Material</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tractors</td>
<td>1,657</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,500</td>
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<td></td>
<td></td>
<td>597</td>
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<td></td>
<td>240</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,657</td>
</tr>
<tr>
<td>Tractor wagons</td>
<td>1,600</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>1,500</td>
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<tr>
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<td>—</td>
<td>597</td>
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<td></td>
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<td>—</td>
<td>—</td>
<td>240</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,600</td>
</tr>
<tr>
<td>Motor lorries</td>
<td>8,090</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7,582</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,657</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,600</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8,386</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>131</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>131</td>
</tr>
<tr>
<td></td>
<td>Tractors</td>
<td>200</td>
<td>1,326</td>
<td>131</td>
</tr>
<tr>
<td></td>
<td>Tractor wagons</td>
<td>— 200</td>
<td>1,326</td>
<td>131</td>
</tr>
<tr>
<td></td>
<td>Motor lorries</td>
<td>700</td>
<td>6,632</td>
<td>258</td>
</tr>
<tr>
<td></td>
<td>Automobiles</td>
<td>227</td>
<td>1,432</td>
<td>100</td>
</tr>
</tbody>
</table>

The range-finders for machine guns have already been ordered in Great Britain (General Hermann's telegram of 1 January, 909). This is a new requirement. The Russian Committee in London has been instructed to place this order in Great Britain. The motor transport needs for the batteries of the various sizes of gun and for artillery headquarters have been fixed at a certain scale based on the experience afforded by the formation of batteries in the 1st Reserve Brigade of heavy artillery. On the basis of this scale the total needs are as follows:—

<table>
<thead>
<tr>
<th></th>
<th>For Guns now in Possession.</th>
<th>For Guns due in the Future.</th>
<th>For Factories, arsenals, &amp;c. Reserve.</th>
<th>Total.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tractors</td>
<td>200</td>
<td>1,326</td>
<td>—</td>
<td>1,657</td>
</tr>
<tr>
<td>Tractor wagons</td>
<td>200</td>
<td>1,326</td>
<td>—</td>
<td>1,657</td>
</tr>
<tr>
<td>Motor lorries</td>
<td>700</td>
<td>6,632</td>
<td>258</td>
<td>8,386</td>
</tr>
<tr>
<td>Automobiles</td>
<td>227</td>
<td>1,432</td>
<td>100</td>
<td>1,657</td>
</tr>
<tr>
<td>Item</td>
<td>Quantity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automobiles</td>
<td>1,925</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor water carts</td>
<td>1,215</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile workshops</td>
<td>504</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor cycle combinations</td>
<td>3,480</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time fuzes (35 seconds)</td>
<td>200,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuzes for grenades (3-in. and 4½-in.)</td>
<td>27,700,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smokeless powder for guns (metric tons)</td>
<td>54,837</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smokeless powder for rifles (metric tons)</td>
<td>10,212</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black powder (for shells and mines) (metric tons)</td>
<td>13,507</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pyroxilin (metric tons)</td>
<td>3,008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T.N.T. (metric tons)</td>
<td>30,980</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Explosives.**

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>T.N.T.</td>
<td>30,980</td>
</tr>
</tbody>
</table>

Deducting from the totals given above the existing stock of 296 motor lorries, 13 automobiles, 50 water carts, 25 workshops, and 14 motor cycles, the total requirements are as given in the table.

The tractor wagons should be capable of carrying 150 pounds (approximately 2½ tons).

Of the 1,012 tractors already on order, 68 are caterpillar tractors allocated by Great Britain with 200 heavy guns.

Of the 1,112 motor lorries on order, 132 are four wheel drive, 679 are allocated by Great Britain with 200 heavy guns, and 301 should be supplied with the 4½-in. howitzers.

It will be necessary to order these fuzes from Japan who supplied a number in 1915.

Although the requirement for these fuzes is more than covered, it is necessary to have a reserve to meet delays in arrivals from abroad. The Russian military attaché in France has, therefore, been instructed to order 1,000,000.

The powder requirements are based on the amount of ammunition to be produced in Russia with an addition of 30 per cent.

The British Government have promised 4,000 tons of black powder.

The Russian Committee in London has instructions to order 2,176 tons of pyroxilin.
<table>
<thead>
<tr>
<th>Total Requirements for 1917</th>
<th>Amount already on Order</th>
<th>Amount still to be Ordered</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In Russia</td>
<td>From Abroad</td>
<td>Total</td>
</tr>
<tr>
<td><strong>EXPLOSIVES—cont.</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nitrate of ammonia (metric tons)</td>
<td>67,408</td>
<td>8,899</td>
<td>15,299</td>
</tr>
<tr>
<td>Nitrate of soda (metric tons)</td>
<td>147,200</td>
<td>72,000</td>
<td>72,000</td>
</tr>
<tr>
<td>Toluol (metric tons)</td>
<td>7,280</td>
<td></td>
<td>7,280</td>
</tr>
<tr>
<td>Aluminium (in powder) (metric tons)</td>
<td>139</td>
<td></td>
<td>139</td>
</tr>
<tr>
<td>Antimony (metric tons)</td>
<td>350</td>
<td>219</td>
<td>219</td>
</tr>
<tr>
<td>Barium nitrate (metric tons)</td>
<td>334</td>
<td>149</td>
<td>149</td>
</tr>
<tr>
<td>Silk for cartridge bags (yards)</td>
<td>1,854,000</td>
<td>1,277,000</td>
<td>1,277,000</td>
</tr>
<tr>
<td>Machinery</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chemical Products, &amp;c.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyanide of sodium (metric tons)</td>
<td>300</td>
<td></td>
<td>300</td>
</tr>
<tr>
<td>Cyanide of calcium (metric tons)</td>
<td>1,000</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Vessels for compressed air</td>
<td>12,500</td>
<td>1,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

Information is being obtained as to the possibility of placing this order in Great Britain.
### Horse Equipment

<table>
<thead>
<tr>
<th>Item</th>
<th>82,612</th>
<th>15,482</th>
<th>15,482</th>
<th>23,975</th>
<th>43,155</th>
<th>67,130</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six-horse sets of harness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This requirement includes:
- 47,489 for new formations. The number of sets of various sizes is averaged as representing an equivalent of 37,489 6-horse sets.
- 7,123 as a reserve (15 per cent.).
- 10,000 to bring existing sets up to the proper number.
- 18,000 to make good wastage, estimated at 1,500 a month.

**Saddles**

<table>
<thead>
<tr>
<th>Item</th>
<th>20,472</th>
<th>6,000</th>
<th>6,000</th>
<th>3,200</th>
<th>20,172</th>
<th>14,472</th>
</tr>
</thead>
</table>

The French Government has agreed to supply the sets of harness for the 100 4.2-in. guns allocated to Russia by the Convention.

In addition to the saddles included in the complete sets of harness, pack saddles are required. The total requirement includes:
- 15,300 for immediate use for new formations.
- 5,172 to undertake equipment at the rate of 431 a month.

**Metals**

- Electrolytic Copper (metric tons)
- Zinc (metric tons)
- Brass (metric tons)

The Russian Military Attaché in Japan has been asked to order these metals.
B.—AVIATION.

The following details of the proposed new formation, on which Russian requirements for aeroplanes, &c., are based, were obtained from Colonel Yakoveleff on February 1st, 1917, at Petrograd.

Per Army Corps.—Flight consisting of—

- 6 for reconnaissance.
- 10 aeroplanes 2 for directing artillery fire.
- 2 for fighting.

Per Army.—Flight consisting of—

- 6 for reconnaissance.
- 8 aeroplanes 2 for fighting.

For each aeroplane there is to be one pilot and one mechanic, and for each flight six observers including two gunnery officers.

Colonel Yakoveleff also stated that Russia would accept any type of aeroplane in use on our front, that all supplies from England should consist of complete aeroplanes, i.e., motor, machine-gun, &c., and that with each type parts should be supplied for both aeroplane and machine.

The following table shows the number of aeroplanes in use on January 20th, 1917, for correcting artillery fire.

<p>| Total Number of Aeroplanes in use at the Front on January 20th, 1917, for correcting Artillery Fire, and the Number provided with Wireless Apparatus. |
|---|---|---|---|---|
| | Total | Furnished | Radius of Action of Wireless Apparatus in Versts. |</p>
<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>with Wireless</th>
<th>50</th>
<th>80</th>
<th>150</th>
<th>150</th>
</tr>
</thead>
<tbody>
<tr>
<td>175</td>
<td>103</td>
<td>5</td>
<td>16</td>
<td>7</td>
<td>45</td>
<td>30</td>
</tr>
</tbody>
</table>

* Sending-off apparatus only.

The following table gives the total Russian requirements for 1917, the extent to which they will be met by existing orders, and the quantity that still remains to be obtained either in Russia or from abroad.

Estimated Requirements of Aeroplanes, &c., for 1917, and the extent to which the Requirements will be met by existing Orders or by Orders still to be placed.

<table>
<thead>
<tr>
<th>Total Requirement for 1917.</th>
<th>Already on Order.</th>
<th>Still to be Ordered.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aeroplanes without engines.</td>
<td>6,677</td>
<td>2,000</td>
</tr>
<tr>
<td>Motors.</td>
<td>10,663</td>
<td>2,000</td>
</tr>
<tr>
<td>Steel (Iron-plates, &amp;c.).</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Piano wire.</td>
<td>2,800</td>
<td>48</td>
</tr>
<tr>
<td>Rope for steel rope (in tonnes, 1,000 kgs.).</td>
<td>1,000</td>
<td>5,122</td>
</tr>
<tr>
<td>Steel rope (in metres).</td>
<td>300,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Steel tubes.</td>
<td>20,000</td>
<td>5,500</td>
</tr>
<tr>
<td>Silicon (In tonnes, 1,000 kgs.).</td>
<td>1,000</td>
<td>20,000</td>
</tr>
</tbody>
</table>

* Allocation between various countries not completely known, 2,000 have already been ordered in France. The number stated to be on order and remaining to be ordered do not add up to the total number required.
† To be ordered in Sweden.

C.—EXPLOSIVES AND PROPELLANTS.

MEMORANDUM prepared by the FRENCH MISSION on the ESTIMATED OUTPUT of PROPELLANTS and EXPLOSIVES from RUSSIAN FACTORIES. (Translation.)

I.—PROPELLANTS.

The following table gives, for the first six months of 1917:—

(1) The probable Russian output of smokeless propellant for the army and the navy. The figures are below the theoretical maximum production of factories; the
reduction which has been made is based on the actual output for the preceding months. On the other hand, in certain of the factories the plant will probably be increased and extensions made, and this fact has been taken into account. The figures suppose a regular supply of raw materials, especially of nitrate of soda from foreign sources.

(2) The requirements of propellant for guns of all calibres, trench mortars, rifles, and machine guns, as well as naval requirements. These figures do not correspond to the maximum programme for shell manufacture, but fall below it. They are based on the possible output of ammunition.

(3) The deficiencies which appear on a comparison of output and requirements.

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probable output from Russian, &amp;c. stores:</td>
<td>49</td>
<td>96</td>
<td>62</td>
<td>66</td>
<td>71</td>
</tr>
<tr>
<td>&quot; Tonnes &quot; per day.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Probable consumption:</td>
<td>142</td>
<td>146</td>
<td>155</td>
<td>161</td>
<td>166</td>
</tr>
<tr>
<td>&quot; Tonnes &quot; per day.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficiencies:</td>
<td>93</td>
<td>90</td>
<td>93</td>
<td>95</td>
<td>90</td>
</tr>
</tbody>
</table>

The stocks of propellant on January 1st, 1917 were about 1,000,000 pouds, or 16,000 tonnes, but there were also large stocks of shells waiting for cartridges. There is reason to think that the filling factories will soon be in a position to make up arrears, and 6,40,000 pouds, or 10,000 tonnes will be consumed in this way. The stocks available to make up deficiencies in output are thus only 6,000 "tonnes," and will be consumed in about two months' time.

Thus, if the fulfilment of the munitions programme is not to be hindered by lack of propellant, deliveries from foreign sources must be such as to supply a total amount of about 100 "tonnes" daily from March 1917.

II.—EXPLOSIVES.

The following table, like the preceding one, gives for the first six months of 1917:

(1) The probable output of explosives from Russian factories. The figures fall below the maximum productive capacity of the factories. They suppose that the factories will use toluol, benzol, and nitrate of ammonia from Russian sources only.

(2) The requirements of explosives for shells of all calibres, trench mortars, and hand grenades, as well as requirements for the navy and for military mining purposes. These figures do not correspond to the maximum programme for shell manufacture, but fall below it. They are based on the possible output of ammunition factories.

(3) The deficiencies which appear on a comparison of output and requirements.

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probable output</td>
<td>140</td>
<td>155</td>
<td>180</td>
<td>200</td>
<td>215</td>
</tr>
<tr>
<td>Russian factories</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thousands of pounds per month</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot; Tonnes per day.</td>
<td>74</td>
<td>83</td>
<td>95</td>
<td>105</td>
<td>118</td>
</tr>
<tr>
<td>Probable consumption</td>
<td>450</td>
<td>470</td>
<td>500</td>
<td>520</td>
<td>540</td>
</tr>
<tr>
<td>&quot; Tonnes per day.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thousands of pounds per month</td>
<td>237</td>
<td>247</td>
<td>263</td>
<td>273</td>
<td>278</td>
</tr>
<tr>
<td>&quot; Tonnes per day.</td>
<td>310</td>
<td>315</td>
<td>320</td>
<td>320</td>
<td>315</td>
</tr>
<tr>
<td>Deficiencies</td>
<td>163</td>
<td>164</td>
<td>168</td>
<td>168</td>
<td>165</td>
</tr>
<tr>
<td>&quot; Tonnes per day.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Deliveries of nitrate of ammonia from foreign sources, like that of nitrate of soda, may be counted on with comparative safety. Thus, for 1916, three-quarters of the quantity promised (19,000 "tonnes") reached its destination. The quantity promised for 1917 is also 19,000 "tonnes," and it is reasonable to suppose that three-quarters of this, or 14,000 tonnes, will arrive. This, added to the 5,000 "tonnes" in stock on January 1st, will give a total of 53 "tonnes" per day available for mixing either

* There is still considerable uncertainty as to the total amount of explosives allocated to trench mortars (estimated at 67 "tonnes" per day), and hand grenades (17 "tonnes" per day). The total for the navy has been estimated at from 10 to 15 "tonnes."
with trotyl at the actual time of filling, or with dinitronaphthaline or xylite, in schneiderite and ammonal factories. The productive capacity of these factories is satisfactory.

In this way the monthly deficiencies are reduced to about 110 "tonnes" per day.

The stocks of explosives on January 1st, 1917, exclusive of nitrate of ammonia and ammonal, amounted to 680,000 pounds, or 11,000 tonnes, but there was also a certain number of shells waiting to be filled. The filling factories will soon be in a position to make up arrears, and 100,000 pounds of explosives (1,600 tonnes) will be consumed for this purpose. The stock available to make up deficiencies in output is thus only 9,400 tonnes, and this will be consumed in about three months' time.

Thus, if the fulfilment of the munitions programme is not to be hindered by lack of explosives, deliveries from foreign sources must be such as to supply a total of about 100 "tonnes" a day from April 1917. As it is raw material, rather than machinery, which limits the Russian output of explosives, a certain proportion of the supply from foreign sources might be in the form of benzol, toluol, or phenol. (End of memorandum.)

The following tables give the output of propellant and explosives from Russian factories for each month of 1916, and the supplies received from abroad. A forecast for Russian output is also given; but the totals given in the table in the case of explosives differ slightly from those already given in the text. For propellants anticipated production is only given for the first half of 1917. The requirements for propellants and explosives have already been given in the large table dealing with artillery and ammunition:

**RUSSIAN OUTPUT OF MUNITIONS.**

*Monthly Output of Propellant Powder (Smokeless) during 1916 and anticipated Russian Output during the First Half of 1917.*

<table>
<thead>
<tr>
<th>Month</th>
<th>Russian Output</th>
<th>From Abroad</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>790 (1,000 kgs.)</td>
<td>90 (1,000 kgs.)</td>
<td>880 (1,000 kgs.)</td>
</tr>
<tr>
<td>February</td>
<td>830 (1,000 kgs.)</td>
<td>640 (1,000 kgs.)</td>
<td>1,470 (1,000 kgs.)</td>
</tr>
<tr>
<td>March</td>
<td>1,010 (1,000 kgs.)</td>
<td>4,140 (1,000 kgs.)</td>
<td>5,150 (1,000 kgs.)</td>
</tr>
<tr>
<td>April</td>
<td>940 (1,000 kgs.)</td>
<td>6,500 (1,000 kgs.)</td>
<td>7,440 (1,000 kgs.)</td>
</tr>
<tr>
<td>May</td>
<td>1,040 (1,000 kgs.)</td>
<td>6,300 (1,000 kgs.)</td>
<td>7,340 (1,000 kgs.)</td>
</tr>
<tr>
<td>June</td>
<td>1,150 (1,000 kgs.)</td>
<td>4,940 (1,000 kgs.)</td>
<td>6,090 (1,000 kgs.)</td>
</tr>
<tr>
<td>July</td>
<td>1,090 (1,000 kgs.)</td>
<td>2,120 (1,000 kgs.)</td>
<td>3,210 (1,000 kgs.)</td>
</tr>
<tr>
<td>August</td>
<td>1,040 (1,000 kgs.)</td>
<td>3,900 (1,000 kgs.)</td>
<td>5,840 (1,000 kgs.)</td>
</tr>
<tr>
<td>September</td>
<td>1,100 (1,000 kgs.)</td>
<td>3,480 (1,000 kgs.)</td>
<td>4,580 (1,000 kgs.)</td>
</tr>
<tr>
<td>October</td>
<td>1,210 (1,000 kgs.)</td>
<td>2,020 (1,000 kgs.)</td>
<td>3,230 (1,000 kgs.)</td>
</tr>
<tr>
<td>November</td>
<td>1,190 (1,000 kgs.)</td>
<td>1,400 (1,000 kgs.)</td>
<td>2,590 (1,000 kgs.)</td>
</tr>
<tr>
<td>December</td>
<td>1,230 (1,000 kgs.)</td>
<td>—</td>
<td>1,230 (1,000 kgs.)</td>
</tr>
<tr>
<td>Total for 1916</td>
<td>12,620 (1,000 kgs.)</td>
<td>30,330 (1,000 kgs.)</td>
<td>42,950 (1,000 kgs.)</td>
</tr>
</tbody>
</table>

Stocks of Explosives in Russia on January 1st, 1917.

<table>
<thead>
<tr>
<th>Explosives</th>
<th>&quot;Tonnes&quot; (1,000 kgs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tolite</td>
<td>4,320</td>
</tr>
<tr>
<td>Melinite</td>
<td>5,728</td>
</tr>
<tr>
<td>Xylite</td>
<td>320</td>
</tr>
<tr>
<td>Ammonal and Schneiderite</td>
<td>2,560</td>
</tr>
<tr>
<td>Dinitro-naphthaline</td>
<td>368</td>
</tr>
<tr>
<td>Ammonium nitrate</td>
<td>5,600</td>
</tr>
<tr>
<td>Tetryl</td>
<td>141</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19,037</strong></td>
</tr>
</tbody>
</table>
### RUSSIAN OUTPUT OF MUNITIONS

**Monthly Output of Explosives during 1916 and Anticipated Production in Russian Factories during 1917.**

**(In "pounds" of 16 kilogrammes.)**

<table>
<thead>
<tr>
<th>Month</th>
<th>Russian From Abroad</th>
<th>Russian Total</th>
<th>Russian From Abroad</th>
<th>Russian Total</th>
<th>Russian From Abroad</th>
<th>Russian Total</th>
<th>Russian From Abroad</th>
<th>Russian Total</th>
<th>Russian From Abroad</th>
<th>Russian Total</th>
<th>Russian From Abroad</th>
<th>Russian Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1916</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
<td>6,429</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
</tr>
<tr>
<td>February</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
<td>6,429</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
</tr>
<tr>
<td>March</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
<td>6,429</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
</tr>
<tr>
<td>April</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
<td>6,429</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
</tr>
<tr>
<td>May</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
<td>6,429</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
</tr>
<tr>
<td>June</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
<td>6,429</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
</tr>
<tr>
<td>July</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
<td>6,429</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
</tr>
<tr>
<td>August</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
<td>6,429</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
</tr>
<tr>
<td>September</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
<td>6,429</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
</tr>
<tr>
<td>October</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
<td>6,429</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
</tr>
<tr>
<td>November</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
<td>6,429</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
</tr>
<tr>
<td>December</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>3,953</td>
<td>2,476</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
<td>6,429</td>
<td>6,429</td>
<td>18,052</td>
<td>18,052</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>332,452</td>
<td>348,674</td>
<td>681,126</td>
<td>332,452</td>
<td>348,674</td>
<td>681,126</td>
<td>5,075,916</td>
<td>5,075,916</td>
<td>681,126</td>
<td>681,126</td>
<td>5,075,916</td>
<td>5,075,916</td>
</tr>
</tbody>
</table>

**Anticipated Output during 1917:**

<table>
<thead>
<tr>
<th>Month</th>
<th>Russian From Abroad</th>
<th>Russian Total</th>
<th>Russian From Abroad</th>
<th>Russian Total</th>
<th>Russian From Abroad</th>
<th>Russian Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>37,000</td>
<td>71,000</td>
<td>108,000</td>
<td>37,000</td>
<td>71,000</td>
<td>108,000</td>
</tr>
<tr>
<td>February</td>
<td>39,000</td>
<td>77,000</td>
<td>116,000</td>
<td>39,000</td>
<td>77,000</td>
<td>116,000</td>
</tr>
<tr>
<td>March</td>
<td>40,000</td>
<td>80,000</td>
<td>120,000</td>
<td>40,000</td>
<td>80,000</td>
<td>120,000</td>
</tr>
<tr>
<td>April</td>
<td>44,000</td>
<td>88,000</td>
<td>132,000</td>
<td>44,000</td>
<td>88,000</td>
<td>132,000</td>
</tr>
<tr>
<td>May</td>
<td>51,000</td>
<td>102,000</td>
<td>153,000</td>
<td>51,000</td>
<td>102,000</td>
<td>153,000</td>
</tr>
<tr>
<td>June</td>
<td>58,000</td>
<td>116,000</td>
<td>174,000</td>
<td>58,000</td>
<td>116,000</td>
<td>174,000</td>
</tr>
<tr>
<td>July</td>
<td>68,000</td>
<td>136,000</td>
<td>204,000</td>
<td>68,000</td>
<td>136,000</td>
<td>204,000</td>
</tr>
<tr>
<td>August</td>
<td>82,000</td>
<td>164,000</td>
<td>246,000</td>
<td>82,000</td>
<td>164,000</td>
<td>246,000</td>
</tr>
<tr>
<td>September</td>
<td>85,000</td>
<td>170,000</td>
<td>255,000</td>
<td>85,000</td>
<td>170,000</td>
<td>255,000</td>
</tr>
<tr>
<td>October</td>
<td>80,000</td>
<td>160,000</td>
<td>240,000</td>
<td>80,000</td>
<td>160,000</td>
<td>240,000</td>
</tr>
<tr>
<td>November</td>
<td>100,000</td>
<td>200,000</td>
<td>300,000</td>
<td>100,000</td>
<td>200,000</td>
<td>300,000</td>
</tr>
<tr>
<td>December</td>
<td>100,000</td>
<td>200,000</td>
<td>300,000</td>
<td>100,000</td>
<td>200,000</td>
<td>300,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>520,000</td>
<td>1,040,000</td>
<td>1,560,000</td>
<td>520,000</td>
<td>1,040,000</td>
<td>1,560,000</td>
</tr>
</tbody>
</table>

**Total for 1916:**

- Russian: 322,452 pounds
- Anticipated: 520,000 pounds

**Total for 1917:**

- Russian: 482,452 pounds
- Anticipated: 1,040,000 pounds

---

*Note 1.* - From Russian raw materials it is possible to turn out about 250,000 pounds of explosives per month. To increase this to 300,000 pounds it will be necessary to import about 80,000 pounds of ammonium nitrate per month. In addition the Russian factories should produce in the future about 150,000 pounds of explosives of the ammonal type, which would require the import of about 130,000 pounds of ammonium nitrate per month.

*Note 2.* - Separate figures for mono-nitrotoluol are not shown but are included under "trotyl."
D.—METALS.

Production of certain Metals, Coal and Coke in Russia in 1914, 1915 and 1916, and Before the War:

<table>
<thead>
<tr>
<th></th>
<th>Pre-War Production</th>
<th>Total Production in “Tonnes” (1,000 kgs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1911.</td>
<td>1915.</td>
</tr>
<tr>
<td>Copper</td>
<td>25,200 (1911)</td>
<td>31,600</td>
</tr>
<tr>
<td>Pig iron</td>
<td>4,553,000 (1913)</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Semi-manufactured products</td>
<td>4,882,000 (1913)</td>
<td>4,360,000</td>
</tr>
<tr>
<td>Coal</td>
<td>26,423,000 (1912)</td>
<td>26,900,000</td>
</tr>
<tr>
<td>Coke</td>
<td></td>
<td>445,000</td>
</tr>
</tbody>
</table>

Russian Requirements of Iron and Steel “Metaux Noirs” for 1917 and the Extent to which they can be met by Home Production, and by Orders already placed Abroad.

In “Tonnes” (1,000 Kgs.)

<table>
<thead>
<tr>
<th></th>
<th>Total Requirement</th>
<th>Russian Output</th>
<th>Amount remaining to be Imported</th>
<th>Amount actually asked for from the Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial steel</td>
<td>2,220,000</td>
<td>1,152,000</td>
<td>1,068,800</td>
<td>460,800</td>
</tr>
<tr>
<td>Blooms and billets</td>
<td>1,556,000</td>
<td>1,080,000</td>
<td>376,000</td>
<td>180,000</td>
</tr>
<tr>
<td>Plates</td>
<td>756,000</td>
<td>420,000</td>
<td>336,000</td>
<td>136,800</td>
</tr>
<tr>
<td>Heavy rails</td>
<td>338,000</td>
<td>288,000</td>
<td>310,800</td>
<td>310,800</td>
</tr>
<tr>
<td>Iron wire</td>
<td>408,000</td>
<td>277,200</td>
<td>132,000</td>
<td>111,600</td>
</tr>
<tr>
<td>Slopers and transverse spars</td>
<td>208,800</td>
<td>96,000</td>
<td>112,800</td>
<td>14,400</td>
</tr>
<tr>
<td>Light rails</td>
<td>157,000</td>
<td>96,000</td>
<td>61,200</td>
<td>40,800</td>
</tr>
<tr>
<td>Tyres for wheels</td>
<td>92,400</td>
<td>80,400</td>
<td>12,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Axes</td>
<td>32,000</td>
<td>28,800</td>
<td>3,200</td>
<td>—</td>
</tr>
<tr>
<td>White plates</td>
<td>45,000</td>
<td>44,500</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>6,282,000</td>
<td>3,669,600</td>
<td>2,612,400</td>
<td>1,567,200</td>
</tr>
<tr>
<td>Cast iron</td>
<td>539,600</td>
<td>843,600</td>
<td>96,000</td>
<td>96,000</td>
</tr>
<tr>
<td>Grand Total</td>
<td>7,221,600</td>
<td>4,513,200</td>
<td>2,708,400</td>
<td>1,663,200</td>
</tr>
</tbody>
</table>

N.B.—The stocks on January 1st, 1917, of certain of the above articles were as follows:

<table>
<thead>
<tr>
<th></th>
<th>“Tonnes” 1,000 Kgs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shell steel</td>
<td>— 47,600</td>
</tr>
<tr>
<td>Large rails</td>
<td>— 27,700</td>
</tr>
<tr>
<td>Mine rails</td>
<td>— 1,300</td>
</tr>
</tbody>
</table>

Distribution of the Russian Requirements of Iron and Steel (Metaux Noirs) for 1917 between the Various Departments.

<table>
<thead>
<tr>
<th>Department</th>
<th>Requirement in “tonnes” (1,000 kgs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration of artillery</td>
<td>— 2,136,000</td>
</tr>
<tr>
<td>Military technique</td>
<td>— 1,767,000</td>
</tr>
<tr>
<td>Intendance</td>
<td>— 363,000</td>
</tr>
<tr>
<td>Military communications</td>
<td>— 115,000</td>
</tr>
<tr>
<td>Aviation</td>
<td>— 31,000</td>
</tr>
<tr>
<td>For housing of troops</td>
<td>— 17,000</td>
</tr>
<tr>
<td>Ministry of Marine</td>
<td>— 655,000</td>
</tr>
<tr>
<td>Communication by Road</td>
<td>— 1,564,000</td>
</tr>
<tr>
<td>Agriculture</td>
<td>— 405,000</td>
</tr>
<tr>
<td>Carried forward</td>
<td>— 6,461,000</td>
</tr>
</tbody>
</table>
Requirement in "tonnes" (1,000 kgs.) for the year.

Brought forward - 6,461,000

Union of Zemstvos and Towns - 179,000
Central Committee of Military Industries - 121,000
Administration of State Factories - 52,000
Production of Naphtha - 163,000
Mining industry - 46,000
Maintenance of factories - 98,000
Committee for utilizing vacant factories - 38,000
Direction of commercial ports - 13,000
Sugar industry - 12,000
Miscellaneous requirements - 35,000

Total - 7,218,000

Russian Requirements of "Metaux Blancs et Rayes" for 1917, and the Extent to which they can be met by Home Production and by Orders already placed Abroad.

In "Tonnes" (1,000 Kgs.).

<table>
<thead>
<tr>
<th>Requirements for 1917</th>
<th>Russian Output</th>
<th>Already Ordered from Russian Committee in London</th>
<th>Remaining to be Ordered from Russian Committee in London</th>
<th>Total required to be Supplied from Abroad</th>
<th>Total Amount actually to be Supplied from Abroad as suggested by British Members of the Mission.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper - 129,300</td>
<td>25,000</td>
<td>51,400</td>
<td>59,900</td>
<td>104,300</td>
<td>60,000</td>
</tr>
<tr>
<td>Lead - 80,000</td>
<td>42,000</td>
<td>80,000</td>
<td>16,200</td>
<td>80,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Tin - 9,000</td>
<td>22,700</td>
<td>4,000</td>
<td>16,200</td>
<td>9,000</td>
<td>9,000</td>
</tr>
<tr>
<td>Zinc - 44,000</td>
<td>1,400</td>
<td>3,200</td>
<td>4,600</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Antimony - 6,400</td>
<td>6,000</td>
<td>6,000</td>
<td>11,000</td>
<td>17,100</td>
<td>17,100</td>
</tr>
<tr>
<td>Nickel - 4,600</td>
<td>1,400</td>
<td>500</td>
<td>2,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Aluminium - 17,100</td>
<td>17,700</td>
<td>1,800</td>
<td>29,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Fontes Specialles - 19,500</td>
<td>5,000</td>
<td>-</td>
<td>5,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other metals - 5,000</td>
<td>5,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total - 314,900</td>
<td>25,000</td>
<td>170,900</td>
<td>289,900</td>
<td>181,500</td>
<td>181,500</td>
</tr>
</tbody>
</table>

Distribution of the Russian Requirements of "Metaux Blancs et Rayes" for 1917 between the Various Departments.

In "Tonnes" (1,000 Kgs.).

<table>
<thead>
<tr>
<th>Requirements of the Ministry of War</th>
<th>Technical Requirements of the Ministry of War</th>
<th>Government Mines</th>
<th>Transport</th>
<th>Private Factories Employed on Munitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper - 25,000</td>
<td>2,000</td>
<td>3,000</td>
<td>1,000</td>
<td>98,300</td>
</tr>
<tr>
<td>Lead - 18,000</td>
<td>4,000</td>
<td>6,000</td>
<td>6,000</td>
<td>46,000</td>
</tr>
<tr>
<td>Zinc - 12,500</td>
<td>700</td>
<td>100</td>
<td>1,000</td>
<td>29,000</td>
</tr>
<tr>
<td>Aluminium - 15,000</td>
<td>0</td>
<td>100</td>
<td>1,500</td>
<td>4,000</td>
</tr>
<tr>
<td>Tin - 2,000</td>
<td>150</td>
<td>250</td>
<td>2,000</td>
<td>4,800</td>
</tr>
<tr>
<td>Antimony - 1,000</td>
<td>1,000</td>
<td>400</td>
<td>1,000</td>
<td>2,200</td>
</tr>
<tr>
<td>Nickel - 1,000</td>
<td>1,000</td>
<td>50</td>
<td>1,500</td>
<td>14,500</td>
</tr>
<tr>
<td>Fontes Specialles - 2,500</td>
<td>1,500</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total - 30,000</td>
<td>5,500</td>
<td>7,000</td>
<td>5,000</td>
<td>58,300</td>
</tr>
</tbody>
</table>

E.—RAILWAYS.

General survey of the utilisation of Railway Rolling Stock.
(From the Ministère des Voies de Communication. Administration des Chemins de fer de l'Empire. (Translation.)

The problems presented by the war to those responsible for the Russian railway system were of a nature so urgent that, in order to solve them, all available resources in the way of transport had to be strained to their utmost. In particular, every effort had to be made to turn available rolling stock to the best possible account; and certain measures, of a technical as well as of an administrative nature, were adopted.
The steps taken have given practical results. For instance, the average load of a goods truck of the ordinary type, 10.4 metric tons in times of peace (1913), was raised during 1916 to 11.2 metric tons; and the average length of line covered daily by a goods truck, which was 39 miles in 1913, rose to 46 miles in 1916. In the same way engines, which formerly covered on an average 53 miles a day, were, in 1916, made to cover 63 miles, while the figure for goods engines was raised from 68 to about 80 miles.

It was only by taking these steps that it was possible to accomplish an amount of work which appears so large in comparison with that done in times of peace. The total length of line covered by goods trains and convey trains, which was estimated at 147 million miles in 1913, in 1916 was more than 197 million miles; that is, it has increased 34 per cent. The distance for trucks increased from 5-6 thousand millions to 8-1 thousand millions; that is 44 per cent. Yet, although the utmost use has been made of all rolling stock, it has not been possible to meet transport requirements, especially since these increase as the war continues.

Moreover, goods imported from abroad which hitherto have arrived at ports on the Baltic and Black Sea, which are comparatively easy of access, have now to be conveyed great distances from the Pacific or the White Sea; and the average distance which they have to be carried is, from Archangel about 1,190 miles, and from Vladivostock about 5,370 miles.

The concentration of armies of several million men on the Austrian and German fronts necessitates, in its turn, the daily transport of munitions and provisions from districts as far away as Siberia and the country beyond the Volga. In the same way, goods have to be carried for more than 663 miles to the Caucasian front, which is separated by a range of mountains from the fertile valleys of the northern Caucasus. Moreover, the taking of Erzerum and Erindjian has increased the difficulties of transport.

In order to meet the pressing need for coal in Petrograd and north-western Russia generally, where the furnaces in times of peace were supplied with foreign coal, and where considerable industrial extensions have been made since the war, supplies have had to be obtained from the coalfields of the Donetz basin. And for the transport of large quantities of coal, only the main lines of railways, whatever may be the existing congestion of their traffic, can be used.

Nothing can give a better idea of the importance in Russia of the distance which has to be covered by railway lines than the fact that, whereas in times of peace the greatest distance covered by a goods train from its starting point to its destination was only about 385 miles, during the years 1915 and 1916 the distance increased 50 per cent., and reached the average figure of 577 miles.

At the same time, military operations, involving the transport of troops to fill up the ranks, as well as the transport of munitions, have necessitated the organisation— in itself a difficult and responsible task—of a very large passenger service; and this organisation can only be maintained at the expense of the goods service.

These circumstances, amongst others, have brought about an ever increasing disproportion between the requirements of the export trade and transport facilities; and as a result of the inadequacy of the railway system and the scarcity of rolling stock, the country is in a really serious position. The transport crisis (as regards locomotives and carriages) is made more acute by the fact that during the two years and a half immediately preceding the war, several new railway lines were built and brought into use, representing a total length of line of more than 3,650 miles. (The Armavir-Touapse, Altai, Boukhara, Archangel, Western Ural, Tchernomorsko-Koubanskaia lines, as well as a whole system of lines at the front, &c., &c.) The traffic on these lines has appropriated a considerable number of engines and trucks. The same thing has happened in the case of the new Olonetz and Murman railways, which are already in use, and which will soon—during the summer—become main lines. (Total length, 829 miles.)

Besides this, it was inevitable that the great strain to which rolling stock has been put should damage it; and in fact the continuous use of engines, together with the poor quality of the coal, which, owing to the scarcity of all kinds of fuel, is all that can be obtained, has resulted in a number of engines becoming worn out. Also, it should be remembered that there are fewer facilities for repair than existed formerly, owing to the present lack of metals and scarcity of repair shops. Consequently it will not be possible to continue to use rolling stock to the same extent as at present.
These considerations only emphasize the difficulties of the situation which arises from scarcity of available rolling stock. It is only possible to conclude that the most vital interests of the State are suffering, and, under existing conditions, must continue to suffer from this state of affairs.

It would be of no avail to lay stress on the urgent needs of private industry and commerce: it is enough to say that the shortage of trucks is actually impeding the activities of factories and works engaged on work of national importance. Also, it is possible that it will be necessary before long, in view of the extension of the offensive ordered by Headquarters, to send to the front 500 powerful engines and 25,000 trucks for use on lines actually serving the front, even though it should be necessary, in order to obtain them, to restrict the traffic on lines further back.

It follows that the only possible solution of the problem lies in the immediate placing of an order abroad, and the delivery to Russia of a large number of engines and goods trucks. A preliminary estimate stated that the number of engines and trucks required for the whole Russian railway system was not less than 100,000 trucks and 2,500 engines. This number would provide all the transport facilities necessary in time of war, and, in a word, would meet the needs of the country.

The preliminary estimate was submitted to the Special Commission on Transport, and the Commission, for reasons of a practical and financial nature, reduced this demand.

Memorandum on the Quantity of Rails needed for Work to be undertaken during 1917.

(From the Ministere des Voies de Communication. Translation.)

The total length of line of the Russian railway system (exclusive of the Bukovina lines) actually in use on January 1, 1917, was 48,300 miles. This includes the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Length (Miles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main lines belonging to the State and to private companies</td>
<td>42,000</td>
</tr>
<tr>
<td>The Eastern Chinese line</td>
<td>1,070</td>
</tr>
<tr>
<td>For Finland</td>
<td>2,490</td>
</tr>
<tr>
<td>Branches of main lines</td>
<td>1,100</td>
</tr>
<tr>
<td>Local lines</td>
<td>1,640</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48,300</strong></td>
</tr>
</tbody>
</table>

Of these 48,300 miles of lines actually in use, 8,820 miles are under the direction of the military authorities on the western front.

In spite of the dimensions of the railway system, at the very beginning of the war the railway authorities were required by the military authorities to undertake immediate extension and development of lines in the neighbourhood of the front, as well as of others further back. These latter were of great importance from the point of view of supplying the army with munitions and provisions.

Nearly 13,650 miles, or about 1,400,000 tons, of rails have been used in work of this nature from the beginning of the war up to January 1, 1917. 10,130 miles have been used in the construction of new lines and in the extension of existing lines on the two fronts; the rest, that is 3,520 miles, have been used for the extension of stations, reconstruction of lines which had been destroyed by the enemy, construction of auxiliary lines, replacement of defective or worn-out rails, and for other purposes of minor importance.

The figure given above for the total number of rails used does not include 1,720 miles of rails which had already been used on railway lines, and which were used again in fortified places.

Besides all that has already been accomplished, it is probable that during 1917 a good deal of work of this nature will have to be undertaken at the front, in order to leave nothing undone in this particular direction, to ensure the success of the coming strategical operations. Also, in consideration of these same operations, it is extremely important that the transport capacity of lines not actually serving the front should be increased.

The extent of the work to be undertaken during 1917, in terms of lengths of the lines to be built, has been fixed by a conference of representatives of the Ministry and of G.H.Q. at 13,900 miles; this corresponds, in rails only, exclusive of material for joining them, to a tonnage of 1,397,000 " tonnes."
This quantity of rails, as is shown in the attached table, is allocated as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) For the front, including Roumanian lines</td>
<td>6,440</td>
</tr>
<tr>
<td>(2) For lines actually in use behind the front</td>
<td>3,760</td>
</tr>
<tr>
<td>(3) For the construction of new lines</td>
<td>3,530</td>
</tr>
<tr>
<td>(4) For Finnish railways</td>
<td>187</td>
</tr>
<tr>
<td></td>
<td>13,917</td>
</tr>
</tbody>
</table>

A certain proportion of these rails, which present the total tonnage of 1,397,000 "tonnes," can be supplied by Russian factories, which, however, cannot produce more than 290,000 "tonnes"; but in addition 353,000 "tonnes" are due on contracts placed with firms in America and China. Consequently, up to the present, the Ministry can only count on 643,000 "tonnes"; that is, Russia will be short of the quantity she actually needs to the extent of 754,000 "tonnes." This serious shortage of rails forced the conference of representatives of the Ministry and of G.H.Q. to divide the various needs into those which could not possibly be postponed after the first half of 1917 and those which could.

For the urgent work, 683 miles, or 643,000 "tonnes," of rails are required, and this quantity is guaranteed by the output of Russian factories and by contracts placed with foreign firms.

The other classes of work, which the conference decided it would be possible to postpone, will require 754,000 "tonnes" exclusive of material for joining the rails. As the Russian factories cannot produce this quantity, the Ministry will be obliged to place a supplementary order abroad. If this last order should materialise, all requirements in rails would be fully met.

As regards the destination of the rails, the quantity mentioned above is allocated to the following classes of work:

1. The greater part of the rails to be ordered—951,000 "tonnes"—is needed for the construction of new lines and auxiliary lines. The chief object in view is the development of the railway system on the western and Caucasian fronts. Similar extensions are needed on lines which serve the district immediately behind the front, in order to secure supplies to the front. Also, it is hoped to increase the supply of munitions and provisions from Western Siberia and the Far East by increasing the transport capacity of the lines which serve these districts. Besides this, the Ministry is considering the possibility of facilitating the export of food products, coal, and other mineral and industrial products of national importance by organising a series of circular routes, by which products could be collected from the place of their production. The shortage of rails for this class of work may be estimated at 532,000 "tonnes."

2. Rails are needed for the extension of stations and for increasing the transport capacity of existing lines in the neighbourhood of the front, as well as of lines further back. 220,000 "tonnes" of rails will be needed for this purpose, and there is a shortage of 99,000 "tonnes." The work mentioned in (1) and (2) can be carried out in proportion as the necessary rails are delivered.

3. 99,000 "tonnes" of rails will be needed to reconstruct lines destroyed by the enemy.

4. 77,000 "tonnes" of rails will be needed to replace defective or worn-out rails, and there is a shortage of 44,000 "tonnes." In this connection, it must be remembered that since the war far fewer rails have been delivered to Russian railways for purposes of repair than were required by the condition of the lines. As a consequence of this, the number of broken rails has perceptibly increased, and the condition of the lines generally may soon become positively dangerous. Thus, it is of great importance that the total quantity of rails needed for purposes of repair should be supplied.

5. The rails needed for work on light railways can be supplied from Russian factories.

All this work—construction of auxiliary lines, extension of stations, repairs, construction of light railways; and of points—is absolutely necessary, and the
requirements in rails cannot be reduced without seriously hindering the fulfilment of the task imposed on the Russian railway system during the present war.

The quantity of rails required for the construction of new lines depends entirely on the length and number of the lines. Consequently, if on further consideration it should be decided to postpone the construction of certain parts of these lines, the total requirements in rails could be proportionately reduced. (End of Memorandum.)

**Russian Requirements of Railway Materials for 1917 and the extent to which they can be met by Home Production and by Orders already placed Abroad.**

<table>
<thead>
<tr>
<th>Materials</th>
<th>Total Requirements</th>
<th>Russian Production in 1917</th>
<th>Already Ordered Abroad</th>
<th>Still to be Ordered Abroad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rails, in &quot;tonnes&quot; (1,000 kgs.)</td>
<td>1,388,000</td>
<td>290,000</td>
<td>353,000</td>
<td>745,000</td>
</tr>
<tr>
<td>Tyres</td>
<td>19,800</td>
<td>7,800</td>
<td>—</td>
<td>12,000</td>
</tr>
<tr>
<td>Boilers</td>
<td>22,000</td>
<td>16,800</td>
<td>430</td>
<td>4,800</td>
</tr>
<tr>
<td>Locomotives</td>
<td>1,870</td>
<td>600</td>
<td>350</td>
<td>920</td>
</tr>
<tr>
<td>Wagons, 20 tons</td>
<td>55,760</td>
<td>24,000</td>
<td>3,000</td>
<td>26,760</td>
</tr>
<tr>
<td>Wagons, 30 tons</td>
<td>4,000</td>
<td>—</td>
<td>3,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Points and crossings</td>
<td>23,000</td>
<td>15,000</td>
<td>2,000</td>
<td>6,000</td>
</tr>
</tbody>
</table>

**Distribution of Russian Requirements of Rails for 1917 between the various Departments.**

<table>
<thead>
<tr>
<th>Department</th>
<th>For the Front</th>
<th>Maintenance and Repair of Existing Lines</th>
<th>Constructions of New Lines</th>
<th>Finland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urgently required</td>
<td>410,000</td>
<td>198,000</td>
<td>121,000</td>
<td>—</td>
</tr>
<tr>
<td>Less urgently required</td>
<td>278,000</td>
<td>202,000</td>
<td>234,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Total</td>
<td>688,000</td>
<td>400,000</td>
<td>375,000</td>
<td>20,000</td>
</tr>
</tbody>
</table>

**Distribution of the Russian Requirements of Rails for 1917 between the various kinds of work.**

<table>
<thead>
<tr>
<th>Kind of Work</th>
<th>Urgently required</th>
<th>Less urgently required</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of New Lines at the Front in the Interior</td>
<td>474,000</td>
<td>331,000</td>
<td>1,005,000</td>
</tr>
<tr>
<td>Development of Stations</td>
<td>749,000</td>
<td>226,000</td>
<td>975,000</td>
</tr>
<tr>
<td>Reconstitutions of Lines destroyed during the war</td>
<td>26,000</td>
<td>44,000</td>
<td>70,000</td>
</tr>
<tr>
<td>Removal of Locomotives Worn Out</td>
<td>33,000</td>
<td>44,000</td>
<td>77,000</td>
</tr>
<tr>
<td>Light Railways</td>
<td>48,000</td>
<td>48,000</td>
<td>96,000</td>
</tr>
<tr>
<td>Crossings and Points</td>
<td>25,000</td>
<td>25,000</td>
<td>50,000</td>
</tr>
</tbody>
</table>

**Russian Output of Locomotives, Rails, and Cars during recent years.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Locomotives</th>
<th>Rails*</th>
<th>Cars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1906 (0-8-0 type)</td>
<td>1,281 (0-8-0 type)</td>
<td>229,000</td>
<td>20,718</td>
</tr>
<tr>
<td>1907</td>
<td>755</td>
<td>188,000</td>
<td>18,788</td>
</tr>
<tr>
<td>1908</td>
<td>611</td>
<td>207,000</td>
<td>15,401</td>
</tr>
<tr>
<td>1909</td>
<td>514</td>
<td>309,000</td>
<td>19,984</td>
</tr>
<tr>
<td>1910</td>
<td>483</td>
<td>315,000</td>
<td>17,448</td>
</tr>
<tr>
<td>1911</td>
<td>416</td>
<td>395,000</td>
<td>8,735</td>
</tr>
<tr>
<td>1912</td>
<td>306</td>
<td>349,000</td>
<td>7,948</td>
</tr>
<tr>
<td>1913</td>
<td>335</td>
<td>475,000</td>
<td>9,316</td>
</tr>
<tr>
<td>1914</td>
<td>749 + 37 - 750 mm. engine.</td>
<td>635,000</td>
<td>18,510</td>
</tr>
<tr>
<td>1915 (0-10-0 type)</td>
<td>910 (0-10-0 type)</td>
<td>445,000</td>
<td>86,458</td>
</tr>
<tr>
<td>1916</td>
<td>587</td>
<td>270,000</td>
<td>20,465</td>
</tr>
</tbody>
</table>

* These figures refer to first-class rail only, but it is now necessary to make rails of inferior steel. In 1916 the output of rails, including these second-grade rails, was 22,000 metric tons.
## Russian Requirements of Motors, Engineers' Stores, &c., during 1917 and the extent to which they can be met by Home Output and by Orders already placed Abroad.

<table>
<thead>
<tr>
<th>No.</th>
<th>Quantity Required</th>
<th>In Hand</th>
<th>Already Ordered</th>
<th>Still to be Ordered</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>In Russia</td>
<td>From Abroad</td>
</tr>
<tr>
<td>1</td>
<td>Barbed wire (metric tons)</td>
<td>400,000</td>
<td>91,000</td>
<td>91,000</td>
</tr>
<tr>
<td></td>
<td>Flat metallic wire (metric tons)</td>
<td>29,400</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2</td>
<td>Drawn metallic wire for the Minister of State and Agriculture (metric tons)</td>
<td>48,300</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>3</td>
<td>Steel wire d. 2-0-7 mm. for the Committee of Industry (metric tons)</td>
<td>6,600</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>4</td>
<td>Galvanised steel wire d. 0-8 mm. (metric tons)</td>
<td>133</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>5</td>
<td>Steel twist (yards)</td>
<td>17,503,200</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>6</td>
<td>Collapsible boats with motors (Waterman system)</td>
<td>60</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>7</td>
<td>Motors for ships</td>
<td>1,233</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>8</td>
<td>Steel armoured boats with motors</td>
<td>93</td>
<td>—</td>
<td>27</td>
</tr>
<tr>
<td>9</td>
<td>Spare parts for pontoon (motor) (sets)</td>
<td>473</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>10</td>
<td>Machine guns for ships, 37 mm.</td>
<td>80</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>11</td>
<td>Projectiles for guns</td>
<td>400,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>12</td>
<td>&quot;Demi-automatiques&quot; guns, 76 mm. of 15 calibre for ships</td>
<td>25</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>13</td>
<td>Shrapnel and grenades for guns (pieces)</td>
<td>125,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>14</td>
<td>Mobile cranes of 8 metric tons for trains with motors</td>
<td>12</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>15</td>
<td>Cranes, 4 and 10 metric tons</td>
<td>9</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>16</td>
<td>Tractors with combustion motors, tools and equipment</td>
<td>450</td>
<td>246</td>
<td>—</td>
</tr>
<tr>
<td>17</td>
<td>Spare parts for tractors (roubles)</td>
<td>210,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>18</td>
<td>Rollers (motor or steam) for military detachments</td>
<td>74</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>19</td>
<td>Motor and steam rollers</td>
<td>84</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>21</td>
<td>Explosives (metric tons)</td>
<td>10,680</td>
<td>3,530</td>
<td>400,000 (Norway)</td>
</tr>
<tr>
<td>----</td>
<td>-------------------------</td>
<td>--------</td>
<td>-------</td>
<td>-----------------</td>
</tr>
<tr>
<td></td>
<td>Bickford cord, rollers</td>
<td>3,650,000</td>
<td>-</td>
<td>800,000 (England)</td>
</tr>
<tr>
<td>23</td>
<td>Saws, shortened transversal</td>
<td>20,200</td>
<td>193,800</td>
<td>9,200 (England) en route</td>
</tr>
<tr>
<td></td>
<td>ordinary transversal</td>
<td>20,000</td>
<td>18,500</td>
<td>103,000 (England)</td>
</tr>
<tr>
<td></td>
<td>longitudinal</td>
<td>20,000</td>
<td>700</td>
<td>9,300 (England)</td>
</tr>
<tr>
<td></td>
<td>Potassium chlorate (metric tons)</td>
<td>757.5</td>
<td>-</td>
<td>20 (England) en route</td>
</tr>
<tr>
<td>25</td>
<td>Projectors</td>
<td>1,980</td>
<td>743</td>
<td>138</td>
</tr>
<tr>
<td>26</td>
<td>Spare parts for projectors, Parson's mirrors, &amp;c. (roubles)</td>
<td>2,907,100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>27</td>
<td>Radio-telegraphic posts</td>
<td>4,186</td>
<td>140</td>
<td>810</td>
</tr>
<tr>
<td>28</td>
<td>Amplifiers with accessories</td>
<td>1,337</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>29</td>
<td>Electrical groups</td>
<td>375</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>30</td>
<td>Lorries*</td>
<td>20,049</td>
<td>128</td>
<td>465</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ 9,058</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>from Series (2).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,514</td>
<td>+ 362</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ 362</td>
<td>from Series (2).</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Four wheeled lorries*</td>
<td>7,479</td>
<td>4,289</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>from Series (2),</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,785</td>
<td>+ 908</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>from Series (2),</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ 908</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>from Series (2).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Armoured cars*</td>
<td>223</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ 23</td>
<td>from Series (2).</td>
<td></td>
</tr>
</tbody>
</table>

* For certain commodities a second list of requirements was made. These requirements are shown in the present table after the figures taken for the first (present) list.
<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Quantity Required</th>
<th>In Hand</th>
<th>In Russia</th>
<th>From Abroad</th>
<th>From Abroad</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>In Russia.</td>
<td>In Russia.</td>
</tr>
<tr>
<td>36</td>
<td>Caterpillar tractors*</td>
<td>1,742</td>
<td>—</td>
<td>—</td>
<td>104 (America)</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ 914</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>from Series (2).</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Tanks*</td>
<td>168</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ 78</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>from Series (2).</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>Car for auxiliary destinations</td>
<td>2,850*</td>
<td>—</td>
<td>—</td>
<td>100 (England), 793 (Italy)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ 1,225</td>
<td>—</td>
<td>—</td>
<td>100 (France), 793 (Italy)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>from Series (2).</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>Tugs of 2-3 metric tons</td>
<td>1,021*</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ 913</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>from Series (2).</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>40</td>
<td>Motor cycles with accessories and spare parts</td>
<td>14,017*</td>
<td>—</td>
<td>—</td>
<td>9,043 (England), 4,974</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ 2,909</td>
<td>—</td>
<td>—</td>
<td>+ 2,909 from Series (2), 4,893</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>from Series (2).</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Side cars for motor cycles</td>
<td>6,689*</td>
<td>—</td>
<td>—</td>
<td>2,794 (England), 2,983</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ 1,830</td>
<td>—</td>
<td>—</td>
<td>+ 1,880 from Series (2), 3,893</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>from Series (2).</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Spare parts with accessories for cars and motor</td>
<td>187,159,400</td>
<td>2,550,000</td>
<td>4,575,000</td>
<td>6,435,000 (England), 1,875,000 (France)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>cycles (roubles).</td>
<td>+ 29,122</td>
<td>—</td>
<td>—</td>
<td>1,576,000 (America), 5,377,000 (France), 36,889,000 (Italy)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>from Series (2).</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>Apparatus, machines, various things for motor</td>
<td>14,287,432</td>
<td>—</td>
<td>—</td>
<td>8,349,000 (England), 4,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>workshops at the front, electro-technical</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>schools, military telegraphic works, as well as</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>parks and railway service for the troops</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(roubles).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Different materials for workshops (roubles)</td>
<td>27,052,000</td>
<td>—</td>
<td>—</td>
<td>23,155,000 (England), 23,155,000 (England), 23,155,000 (England), 23,155,000 (England)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Apparatus and parts of cars for equipping</td>
<td>13,364,000</td>
<td>—</td>
<td>—</td>
<td>7,580,000 (England), 7,580,000 (England), 7,580,000 (England), 7,580,000 (England)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>military motor workshops (roubles).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* For certain commodities a second list of requirements was made. These requirements are shown in the present table after the figures taken for the first (present) list.
Technical Department of the War Office. Summary of Orders placed or to be placed in England.

<table>
<thead>
<tr>
<th>Number Ordered, but Money not Obtained</th>
<th>Number remaining to be Ordered, Money not Obtained</th>
<th>Value of the Orders</th>
<th>Tonnage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Made</td>
<td>Not Made</td>
</tr>
<tr>
<td>Lorries:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 metric tons</td>
<td></td>
<td>479</td>
<td>1,342</td>
</tr>
<tr>
<td>3-3½ metric tons</td>
<td></td>
<td>90</td>
<td>714</td>
</tr>
<tr>
<td>1½-2 metric tons</td>
<td></td>
<td>1,250</td>
<td>11,250,000</td>
</tr>
<tr>
<td>Four-wheelled lorries</td>
<td></td>
<td>210</td>
<td>23</td>
</tr>
<tr>
<td>Petrol tanks</td>
<td></td>
<td>100</td>
<td>56</td>
</tr>
<tr>
<td>Armoured motor car</td>
<td></td>
<td>5,249</td>
<td>3,123</td>
</tr>
<tr>
<td>Caterpillar tractors</td>
<td></td>
<td>279</td>
<td>4,898</td>
</tr>
<tr>
<td>Tanks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Galleys</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workshops</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depots</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ambulances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trailers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor cycles (with no side-cars) and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>spare parts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor cycles (with side-cars) and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>spare parts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tools</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

G. "INTENDANCE" DEPARTMENT.

The table attached shows the chief requirements of this department which have to be satisfied from abroad. The Russian supply is sufficient to meet requirements in the case of a number of substances coming under the control of the "Intendance" department, of which the most important are linen cloth, cotton cloth and sheepskins. A large supply of woolen cloth is required from England; but the making of cloth into tunics, great coats, &c., as well as the making of linen and cotton garments is to be done exclusively in Russia. The requirement of raw cotton for the manufacture of cotton cloth by the trade is dealt with in the section on Trade and Commerce.

Table showing the chief Requirements of the Intendency for the Army from 1st January 1917-1st January 1918.

<table>
<thead>
<tr>
<th>Amount in Hand.</th>
<th>Amount Required</th>
<th>Amount already on Order</th>
<th>Amount still to be Ordered</th>
</tr>
</thead>
<tbody>
<tr>
<td>In thousand  (yards).</td>
<td>In Russia.</td>
<td>From Abroad.</td>
<td>In Russia.</td>
</tr>
<tr>
<td>Grey cloth for great coats 4,300 48,000†</td>
<td>15,779</td>
<td>10,665 (England)</td>
<td>13,000</td>
</tr>
<tr>
<td>Khaki cloth (yards) 2,000</td>
<td>41,020†</td>
<td>8,220</td>
<td>17,340 (  ,, )</td>
</tr>
<tr>
<td>Boots (pairs) 2,300</td>
<td>26,100†</td>
<td>1,510</td>
<td>6,000 (  ,, )</td>
</tr>
<tr>
<td>Leather for seals (metric tons) 2-700</td>
<td>7,900</td>
<td>21-9†</td>
<td>13-9</td>
</tr>
<tr>
<td>Russian leather for the following quantities of boots (pairs).</td>
<td>56,000</td>
<td>320 (England)</td>
<td>820</td>
</tr>
<tr>
<td>Saddles for the cavalry (number). 20</td>
<td>125</td>
<td>20</td>
<td>30 (  ,, )</td>
</tr>
<tr>
<td>Saddles for beasts of burden (number). 65</td>
<td>75†</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>Sets of harness for one horse (complete). 56</td>
<td>71†</td>
<td>32 (  ,, )</td>
<td>30</td>
</tr>
<tr>
<td>Sets of harnesses for two horses (complete).</td>
<td>20</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Horse shoes (number) 4,500 82,500</td>
<td>28,000</td>
<td>20,000 (America)</td>
<td>20,000</td>
</tr>
<tr>
<td>Nails (number) 80,000 766,000</td>
<td>395,000</td>
<td>285,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Sword belts (number) 251</td>
<td>9,360</td>
<td>4,349</td>
<td>700</td>
</tr>
<tr>
<td>Helmets (number) 76</td>
<td>4,840†</td>
<td>2,400</td>
<td>1,240 (France)</td>
</tr>
</tbody>
</table>

* Department concerned with the provision of clothing, stores, &c.
† In addition to the stock shown in Column 1.
H.—COMMERCE AND INDUSTRY.

(Precis of a Report furnished by the Ministry of Commerce and Industry.)

The power of placing orders for materials and machines for the Government factories at Oural, &c., for the ports and for private firms on war work, is centralised in the following sections of the Ministry:—

1. Mercantile Ports Section.
2. Government Factories Section.
3. Fuel Section.
4. Industrial Section.

1.—MERCANTILE PORTS SECTION.

The requirements for mercantile ports are shown in a table at the end of this section, with notes giving the basis upon which the requirements are based.

2.—GOVERNMENT FACTORIES SECTION.

Since the war the Government factories have been used solely for manufacturing guns, shells, engineering machinery, bayonets, &c, for the army, and locomotives for the railways.

To satisfy all these orders these factories have had to be extended, and in order to furnish the new workshops with machine tools, lathes, &c., orders have had to be placed abroad. The magnitude of these orders is shown in Table II. at the end of this section.

To give some idea of the development of the factories under the control of the Ministry of Mines, the budget for these factories before the war was 20,000,000 roubles, while for 1917 it will be 180,000,000 roubles.

3.—SPECIAL SECTION FOR FUEL.

The requirements of coal, naphtha, and wood for railways and for industries has increased since the beginning of the war. The importation of coal from abroad has dropped to a minimum, whilst the mining of coal and of naphtha in Russia cannot supply the requirements even of those industries doing War work. The chief causes of this state of affairs is lack of labour, and the limited number of machines. The detailed requirements are shown in Table II.

4.—INDUSTRIAL SECTION.

The large demands for rubber are due to the increase in the number of automobiles at the front, and the way in which the bad state of the roads wears out tyres.

As a result of the occupation by the enemy of certain territory, and the decrease in the number of cattle reared due to other causes, the home production of fats and oils has decreased. It is therefore necessary to import larger quantities than formerly not only of these but also of leather and wool.

Jute, extracts for tanning, and food substances such as tea, coffee, rice, &c, have always been imported.

Comparatively unimportant articles such as cork, cloth, cement, candles, cotton and wool textiles, typewriters, matches, &c. are included among “other products” in the table.

The following notes on raw cotton and wool have also been supplied:—

COTTON.

I.—COTTON NEEDS DURING THE SEASON 1916/17 FROM OCTOBER 1ST, 1916, TO OCTOBER 1ST, 1917.

The average number of hours worked by one spindle was, during 1915/16, 4,560. The quantity of cotton worked up by each spindle averaged 119 lbs. during the course of the year. The number of spindles working up to October 1st, 1916, totalled 7,881,208, and the total weight of cotton spun 425,500 metric tons.

It is estimated that during 1916/17, 7,300,000 spindles will be at work. Assuming that each spindle works up the same amount of cotton as in 1915/16, the total quantity of cotton needed for 1916/17 is 394,000 metric tons.
II.—The Cotton Stored in the Empire at the Beginning of the Season.

1. Stores at factories on the 1st October 1916:

<table>
<thead>
<tr>
<th></th>
<th>Metric Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russian</td>
<td>86,700</td>
</tr>
<tr>
<td>American</td>
<td>15,740</td>
</tr>
<tr>
<td>Egyptian</td>
<td>8,780</td>
</tr>
<tr>
<td>Persian</td>
<td>4,256</td>
</tr>
<tr>
<td>Chinese</td>
<td>261</td>
</tr>
<tr>
<td>Afghan</td>
<td>92</td>
</tr>
<tr>
<td>Indian</td>
<td>69</td>
</tr>
<tr>
<td>Turkish</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>115,899</td>
</tr>
</tbody>
</table>

2. Stores with tradesmen, banks, and commission agents on October 1st, 1916:

<table>
<thead>
<tr>
<th></th>
<th>Free Cotton</th>
<th>Sold Cotton</th>
<th>Total Quantity of Free and Sold Cotton.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russian</td>
<td>6,140</td>
<td>31,400</td>
<td>37,540</td>
</tr>
<tr>
<td>Persian</td>
<td>8,270</td>
<td>1,400</td>
<td>9,670</td>
</tr>
<tr>
<td>Total</td>
<td>14,410</td>
<td>32,800</td>
<td>47,210</td>
</tr>
</tbody>
</table>

3. Stores of cotton lying in Russian ports on October 1st, 1916:

<table>
<thead>
<tr>
<th></th>
<th>Metric Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>American</td>
<td>25,850</td>
</tr>
<tr>
<td>Egyptian</td>
<td>4,070</td>
</tr>
<tr>
<td>Chinese</td>
<td>10</td>
</tr>
<tr>
<td>Indian</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>29,960</td>
</tr>
</tbody>
</table>

4. Stores of cotton in Asia Minor and Caucasus on October 1st, 1916, were estimated at about 580,000 metric tons of raw material, which when transferred into fibre will make about 177,000 metric tons.

5. Total amount of cotton stored on October 1st, 1916, reached about 370,000 metric tons:—116,000, plus 47,000, plus 177,000, plus 30,000.

III.—The Requirements of Cotton from Abroad during the Year 1916-17.

Owing to the conditions of Russian industry, and bearing in mind the immense territory and the difficulties of transport, the stores of cotton lying idle in factories cannot be utilised without interfering with the general work of spinning mills. It is estimated that a stock of 130,000 metric tons is required for the regular work of spinning mills. Thus, the stores of fibre which can be utilised in re-working amount to about 240,000 metric tons (370,000 - 130,000 = 240,000). It will be shown from these figures that during 1916-17 it is necessary to import 154,000 metric tons of foreign cotton (394,000 metric tons - 240,000 metric tons = 154,000 metric tons).

IV.—The Distribution of Cotton which is Presumed to be Imported according to the Different Countries of Origin.

Of the 154,000 metric tons of cotton which have to be imported from abroad during 1916-17, about 26,000 metric tons will reach Russia from Persia and Afghan. Allowing for this the amount of Egyptian and American cotton required
is 128,000 metric tons. The needs of our factories for Egyptian cotton (which is the only cotton which can be used for making the highest grades of sewing cotton) in peace time was 24,000 metric tons. At the present moment when all factories are engaged in making heavier materials the needs are somewhat less. Altogether from October 1st, 1915, to October 1st, 1916, about 16,000 metric tons of Egyptian cotton was worked. This represents the minimum requirements of the Russian Cotton Industry for Egyptian cotton. It is true that the stores of Egyptian cotton in the country on October 1st, 1916, cover half the yearly requirements of our factories and therefore exceed the proportion considered necessary in the case of other kinds of cotton. But it must be borne in mind that during the last year the country has been in great need of sewing cotton, of which very often there has not been sufficient for factories on War work. Moreover, the stores of Egyptian cotton have been very much enlarged by increased imports during the last months of the past season—May to September 1916. It must be observed that during 1915–16 Russian spinning manufacturers engaged in working Egyptian cotton were obliged often to diminish their production on account of want of raw materials. Allowing for the 16,000 metric tons of Egyptian cotton, the requirements for American cotton is 112,000 metric tons.

V.—The Quantity of Cotton Purchased Abroad which was en Route to Russian Ports on the 1st October 1916.

<table>
<thead>
<tr>
<th></th>
<th>Quantity in Metric Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>American</td>
<td>14,340</td>
</tr>
<tr>
<td>Egyptian</td>
<td>4,610</td>
</tr>
<tr>
<td>Indian</td>
<td>10</td>
</tr>
<tr>
<td>Chinese</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>19,000</td>
</tr>
</tbody>
</table>

VI.—The Amount of Cotton Necessary to be Imported by the End of the Season 1916–17.

Deducting from the requirement of 112,000 metric tons of American cotton the 15,000 tons of American, Indian, and Chinese cotton which, on the 1st of October 1916, was en route to Russian ports—the quantity of American cotton which will have to be imported by the end of the season is reduced to 95,000 metric tons. In the same way the amount of Egyptian cotton which will have to be imported before the end of the season is about 11,000 metric tons.

Total quantity of cotton which must be imported before October 1st, 1917, is thus 106,000 metric tons.

VII.—Imports of Cotton from Abroad in 1915–16 were as follows:—

<table>
<thead>
<tr>
<th></th>
<th>Quantity in metric tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1915</td>
<td>7,570</td>
</tr>
<tr>
<td>November</td>
<td>6,550</td>
</tr>
<tr>
<td>December</td>
<td>7,950</td>
</tr>
<tr>
<td>January 1916</td>
<td>8,180</td>
</tr>
<tr>
<td>February</td>
<td>11,580</td>
</tr>
<tr>
<td>March</td>
<td>8,160</td>
</tr>
<tr>
<td>April</td>
<td>8,320</td>
</tr>
<tr>
<td>May</td>
<td>11,240</td>
</tr>
<tr>
<td>June</td>
<td>9,720</td>
</tr>
<tr>
<td>July</td>
<td>11,060</td>
</tr>
<tr>
<td>August</td>
<td>9,220</td>
</tr>
<tr>
<td>September</td>
<td>7,980</td>
</tr>
<tr>
<td>Total</td>
<td>107,510</td>
</tr>
</tbody>
</table>
During the season 1915-16 the total imports of cotton amounted to 107,510 metric tons. It is estimated that 106,000 metric tons will have to be imported during 1916-17.

WOOL.

The total quantity of Russian merino wool shorn in 1916 is stated approximately as 16,320 metric tons of greasy wool, which when washed is reduced to about 30 per cent. of the total, making only 4,800 metric tons of clean wool. This wool was received by consumers by about May 1916. The present stock of wool is 1,200 metric tons, and calculating the monthly consumption of wool as equal to one-twelfth of the annual crop, it will be evident that at the present time there is only sufficient wool in the country to last three months.

The stores of wool which are in the hands of traders and sheep-breeders are very small, and, (according to information furnished by the Committee on Cloth Industry on the 25th January) amount to about 545 metric tons of greasy wool, which is equal to about 164 metric tons of washed wool. The remaining 1,036 metric tons are at the present moment in the hands of manufacturers—suppliers of the “Intendency,” and also in wool-washing mills. From traders and wool-washing mills, the wool will pass exclusively to factories engaged in working for military departments.

Considering that our stores of merino wool are insufficient to meet the demands of factories engaged in preparing uniform cloth for army needs, it is necessary to import wool from abroad. According to the official information of the custom house statistics, from January 1st to December 1st, 1916, there was imported:—

Uncombed and unspinned wool:

| Greasy   | 640 metric tons. |
| Washed   | 8,480 "   |

The quantity of greasy wool as shown above would be reduced in process of cleansing to about 320 metric tons.

Thus during eleven months of 1916 there was imported up to 8,800 metric tons of washed wool, so that the total annual quantity of imported wool may be estimated at 9,600 metric tons of washed wool.

During 1917 it is considered necessary to import from abroad 11,330 metric tons of washed wool required for manufactories engaged in making uniform cloth, divided up as follows:—

| Warp    | 4,500 metric tons. |
| Weft (including skin-wool, pieces and locks, also shortscape) | 3,330 "   |
| Botany noils | 3,500 "   |

In addition to above, 1,280 metric tons of wool are required for botany spinning mills:—

| Warp scoured wool | 640 metric tons. |
| Weft             | 240 "   |
| Greasy wool      | 400 "   |

The apparent increase in the requirements of wool from abroad can be explained, partly by the increased output of cloth manufacturers who supply the army, and partly by the possible reduction of sheepbreeding owing to military action, which may extend to places in the neighbourhood of our sheepbreeding districts.
### Requirements of the Department of Ports and Commercial Navigation of the Ministry of Commerce and Industry.

<table>
<thead>
<tr>
<th>Item</th>
<th>Number already in existence or on order</th>
<th>Number remaining to be ordered</th>
<th>Value of articles remaining to be ordered in Roubles</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cranes</td>
<td>55</td>
<td>65</td>
<td>2,320,000</td>
<td>One crane is required for each wharf at Archangel, Romanov, Kem, and Soroka (72 in all), and two cranes for each three wharves for the general work of the docks. The total requirement is thus $72 + 2/3 \times 72 = 120$.</td>
</tr>
<tr>
<td>Floating cranes</td>
<td>10</td>
<td>3</td>
<td>3,400,000</td>
<td>One floating crane is required for every 5 boats waiting to be unloaded in the ports of Archangel, Romanov, Kem or Soroka. As there is an average of 100 boats in these harbours at any time the total requirement is $100 \times 1/5 = 20$. Of these two-thirds should be of 100 tons and the remainder 40-60 tons.</td>
</tr>
<tr>
<td>Elevators</td>
<td></td>
<td>47</td>
<td>240,000</td>
<td>Floating cranes for unloading coal into barges for transport on the rivers are needed, able to deal with 200 tonnes of coal per hour.</td>
</tr>
<tr>
<td>Dredgers with their steam barges and auxiliary vessels</td>
<td>10</td>
<td>5</td>
<td>4,650,000</td>
<td>It is proposed to coal the ice-breakers by means of elevators with a view to reducing to a minimum the time spent in coaling. The length of each section of the elevator should be about 12 metres.</td>
</tr>
<tr>
<td>Tugs, tugs for pumping and for salvage</td>
<td>30</td>
<td>15</td>
<td>4,650,000</td>
<td>To keep the harbours at Archangel, Kem, and Romanov of a proper depth, it is necessary to extract 6,300,000 m$^3$ of mud per year. With the present equipment it is only possible to extract 4,000,000 m$^3$, and to extract the remaining 2,300,000 m$^3$ five fresh equipments are required.</td>
</tr>
<tr>
<td>Motor fire engines</td>
<td>16</td>
<td>0</td>
<td>500,000</td>
<td>The following number of tugs are required: (1) 8 tugs for the use of the 67 barges in use at the various ports; (2) 30 tugs for the use of the 15 dredgers; (3) 10 tugs for the use of boats in the harbours and the 18 floating cranes; (4) 6 tugs for various uses including the construction of the port; (5) 12 tugs for pumping and salvage; giving a total of 66 in all. (The figures given in the table only add up to 60.)</td>
</tr>
<tr>
<td>Lorries</td>
<td>32</td>
<td>0</td>
<td>500,000</td>
<td>These are required for the ports of Archangel, Romanov, Kem, and Vladivostok. They should be probably 8 tons a piece.</td>
</tr>
<tr>
<td>Floating docks and floating workshops</td>
<td>2</td>
<td>0</td>
<td>3,800,000</td>
<td>These are required for use at the same ports as above.</td>
</tr>
<tr>
<td>Various articles for equipping workshops, ice-breakers, &amp;c.</td>
<td>18</td>
<td>0</td>
<td>36,000,000</td>
<td>In all the ports in the White Sea and the coast of Mournman there is only one large floating dock and a small one at Archangel. It is therefore necessary to procure two additional ones, one of which should take 5,000 ton ships. The requirements have been based on the experience of the last year.</td>
</tr>
<tr>
<td>Ice-breakers and boats for navigating in the winter</td>
<td>18</td>
<td>0</td>
<td>36,000,000</td>
<td>In addition to the ice-breakers already in use it is necessary to have two large ones and three small ones. In addition it is necessary to have special boats with the bows strengthened to 60,000-70,000 tons to follow the ice-breakers. These should make two to three journeys to England during the winter.</td>
</tr>
</tbody>
</table>
Russian Requirements for Trade and Commerce and the Extent to which they can be met by Home Output and by Orders already placed Abroad.

<table>
<thead>
<tr>
<th>Requirements for 1917 in 1,000's of Roubles</th>
<th>Remaining to be Ordered. Value in 1,000's of Roubles</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In Russia</td>
</tr>
<tr>
<td><strong>Government Factory Section.</strong></td>
<td></td>
</tr>
<tr>
<td>Various towers</td>
<td>6,750-76 (518)*</td>
</tr>
<tr>
<td>Machines and presses</td>
<td>3,256-843 (309)*</td>
</tr>
<tr>
<td>Tools</td>
<td>323-270 (6)*</td>
</tr>
<tr>
<td><strong>Special Section for Boilers, &amp;c.</strong></td>
<td></td>
</tr>
<tr>
<td>Boilers</td>
<td>440-0</td>
</tr>
<tr>
<td>Steam pumps</td>
<td>1,380-3</td>
</tr>
<tr>
<td>Centrifugal pumps</td>
<td>213-4</td>
</tr>
<tr>
<td>Compressors</td>
<td>375-0</td>
</tr>
<tr>
<td>&quot;Radiolex&quot;</td>
<td>102-8</td>
</tr>
<tr>
<td>Pneumatic hammers</td>
<td>1,580-0</td>
</tr>
<tr>
<td>&quot;Windlass for extraction&quot;</td>
<td>3,000-0</td>
</tr>
<tr>
<td>Boilers</td>
<td>1,600-0</td>
</tr>
<tr>
<td>Tools</td>
<td>900-0</td>
</tr>
<tr>
<td>Steel cables</td>
<td>900-0</td>
</tr>
<tr>
<td>Steam pumps</td>
<td>1,380-3</td>
</tr>
<tr>
<td>Electric motors and apparatus</td>
<td>213-4</td>
</tr>
<tr>
<td>Instruments for exploring in mines</td>
<td>900-0</td>
</tr>
<tr>
<td>Saws, hatchets, &amp;c.</td>
<td>900-0</td>
</tr>
<tr>
<td>Turbine generators, boilers, cables, &amp;c.,</td>
<td>1,500-0</td>
</tr>
<tr>
<td>for private trade</td>
<td></td>
</tr>
<tr>
<td><strong>Trade Section.</strong></td>
<td></td>
</tr>
<tr>
<td>Rubber</td>
<td>48,000</td>
</tr>
<tr>
<td>Machines and tools for tan-yards, cotton</td>
<td>48,000</td>
</tr>
<tr>
<td>and cloth factories</td>
<td></td>
</tr>
<tr>
<td>Chemical products, saltpetre, copper sul-</td>
<td>80,000</td>
</tr>
<tr>
<td>phate, alum, dyes</td>
<td></td>
</tr>
<tr>
<td>Oils and greases</td>
<td>53,000</td>
</tr>
<tr>
<td>Cotton</td>
<td>470,000</td>
</tr>
<tr>
<td>Wool</td>
<td>81,700</td>
</tr>
<tr>
<td>Jute</td>
<td>9,100</td>
</tr>
<tr>
<td><strong>Stores.</strong></td>
<td></td>
</tr>
<tr>
<td>Skins</td>
<td>210,000</td>
</tr>
<tr>
<td>Tea</td>
<td>25,000</td>
</tr>
<tr>
<td>Den.</td>
<td>78,000</td>
</tr>
<tr>
<td>Coffee, cocoa, rice and other nourishing</td>
<td>30,000</td>
</tr>
<tr>
<td>products</td>
<td></td>
</tr>
<tr>
<td>Sugar</td>
<td>272,000</td>
</tr>
<tr>
<td>Other products</td>
<td>39,000</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Figures in brackets show the actual number required.

N.B.—With the exception of 41,000,000 roubles worth of jute ordered in England, there are no existing orders for any of these commodities.
I.—AGRICULTURE.

Précis of a Statement of Ministry of Agriculture.

Memorandum to Explain the Table Issued by the Ministry of Agriculture, Dealing with Orders Proposed to be Placed Abroad.

I.

At the beginning of the European war the Ministry was charged by the Cabinet Council with the important duty of supplying victuals and fodder for the army. The transactions undertaken by the Ministry were extended later on to include an increasing quantity of purchases for the Allies (sic).

The circumstances attendant upon a state of war were very seriously reflected in the conditions of rural economy in the majority of the most fertile districts of the country owing to the withdrawal of men for the army and the emigration of the rural population to the towns to engage in manufactures. At the same time the supply of labour in the villages was considerably diminished, the agriculturist was no longer able to obtain from abroad such necessary commodities as agricultural machinery and manures. The supply of these from home sources was inadequate before the war, and has become more so since, owing to lack of labour. It has been found necessary to increase the felling of timber in order to secure a sufficient supply of firewood, and to satisfy the demands of the Ministry of War. Peat bogs have been turned to account in order to obtain fuel, and other work of a hydrotechnical nature has been undertaken.

Lack of labourers on the one hand, and on the other lack of good agricultural machinery, which might have made up to a considerable extent for the scarcity of labour, have resulted in a perceptible decrease in the area sown. In these circumstances the Ministry considers it absolutely necessary that imports should include agricultural machines, and commodities such as chemical manures, insecticides, &c, which will ensure good and increased crops. The manufacture of such commodities in Russia is quite insignificant.

The following figures show the decrease which has occurred since the war in the cultivated area in the whole of Russia, excluding Eastern Siberia and Turkestan:

<table>
<thead>
<tr>
<th>Year</th>
<th>Million Acres.</th>
<th>Million Acres.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1911</td>
<td>242</td>
<td>254</td>
</tr>
<tr>
<td>1912</td>
<td>239</td>
<td>246</td>
</tr>
<tr>
<td>1913</td>
<td>249</td>
<td>219</td>
</tr>
</tbody>
</table>

In view of the fact that the decrease shown above (between 1914 and 1916) is already 15 per cent. of the total area of land sown, and is equivalent, in production, to from 8 to 11 million metric tons of cereals, representing the whole amount exported in times of peace, it is impossible to contemplate a further reduction with equanimity, as it might well involve seriously decreased supplies of food for the country and the army, besides endangering the supply of cereals to the Allies.

The Ministry of Agriculture considers it absolutely essential, in order to avoid these dangers, that Russia should import the commodities, materials and machines enumerated in the table drawn up by the Ministry.

II.

The orders to be placed by the Ministry of Agriculture are classed in three groups:

(a) Supplies for the "Intendance" Department.  
(b) Agricultural machinery, &c.  
(c) Machinery needed for work in forests and hydrotechnical work.

(a)—Supplies for the "Intendance" Department.

The requirements of the Ministries of Agriculture and War in sacks, rice and presses for fodder, have been estimated, after consultation with the Director-General of "Intendance," as follows:

(1) Sacks.—From January 1st, 1917, to January 1st, 1918, 19,200,000 metric tons of food products will be required for the Army, and for this quantity 300,000,000

* This term appears to indicate the Department charged with procuring supplies of food, clothing, &c.
sacks will be needed. Assuming that about one-third of the sacks, i.e., 100,000,000, are returned from the front, and that it will be possible to procure 70,000,000 sacks in Russia, the number required from abroad is estimated at 130,000,000, representing an approximate weight of 68,700 metric tons, and a value of 3,200,000 £ sterling. (Order to be placed in England.)

(2) Rice.—From January 1st, 1917, to January 1st, 1918, it will be necessary to supply the Army with a total quantity of 672,000 metric tons of grain. Of this quantity, Russia can produce 576,000 metric tons:—buckwheat, millet, barley, oats, manna, maize and various vegetable products, such as lentils, peas and beans. There then remain to be provided 96,000 metric tons of rice, which is required by the Commander-in-Chief of the Army to add to the men’s rations as a preventive of gastric diseases, especially of cholera. This rice could also partly take the place of buckwheat, which is not produced locally in sufficiently large quantities. Of this quantity of rice, 32,000 metric tons can be obtained from Persia, and it will be necessary to import 64,000 metric tons from Japan, of a value, in Japanese money, of 12,000,000 yens.

(3) Presses for Fodder.—2,700 presses must be supplied. Of these, 700 can be made in Russia, and 2,000 (700 worked by hand, and 1,300 horse-drawn) must be imported. These presses can be obtained from America, and they represent a volume of 4,400 cubic “tonnes,” and a value of 708,000 dollars. In addition, 500 sets of spare parts are required, representing a volume of 200 cubic “tonnes” and a value of 70,000 dollars.

(b)—Agricultural Machinery, &c.

The extreme difficulty referred to above as having been experienced during the war in obtaining agricultural machinery from abroad is illustrated by the following figures of the total imports of agricultural machinery in the last three years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Metric Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1914</td>
<td>95,200</td>
</tr>
<tr>
<td>1915</td>
<td>4,100</td>
</tr>
<tr>
<td>1916 (11 months)</td>
<td>3,500</td>
</tr>
</tbody>
</table>

The orders for agricultural machinery are principally for reaping machines. These are machines capable of taking the place, to a large extent, of farm labourers.

Many of the farmers have not sown, in the fear of not being able to reap; thus, in order to prevent a further reduction in the area sown, it is absolutely necessary that the farmers should be assured that reaping machines will be imported, and that they will receive them in time. Each of these machines will ensure the harvesting of cereals over an area of 220 acres and every 16 kilogrammes of twine, an area of from 12 to 13 acres. The absence of the 83,000 machines and of the 16,000 metric tons of twine ordered for 1917 would endanger the harvesting of an area of 33 million acres, representing nearly 20 per cent. of the whole area under cultivation. This would be a disaster for the country.

It is, moreover, of the utmost necessity that the orders for reaping machines for 1918 should be placed at latest during May or June of this year, so that manufacturers will have time to complete the orders, and the machines will reach Russia at the end of 1917. The home manufacture of reaping machines was very small before the war and has practically ceased now that most of our factories are working only to meet the needs of the army.

The decrease in the number of cattle used for draught purposes gives a peculiar importance to agricultural tractors which, though hitherto little used, will be more and more in demand. These tractors are not made at all in Russia. For 1917, 350 tractors have been ordered, and the Ministry intends to order 2,000 for 1918. Amongst other machines which have already been ordered, or which are to be ordered during 1917 for 1918, must be mentioned the following machines, which are of great importance to the country:—machines for the manufacture of cord; machines for drying fruits and vegetables; machines ordered by the “Intendance” for the preparation of fodder; machines for extracting the seeds of fodder-producing plants; small tools; and spare parts for repairing agricultural machinery.

Finally, before the war, Russia made use of nearly 5,000,000 scythes which came entirely from Austria. The home production of scythes at the present time amounts
to 1½ millions, and will probably increase to 2½ millions. It follows that the order for scythes which the Ministry proposes to place abroad (500,000 ordered and 1,000,000 to be ordered), is still far from meeting the actual needs of the country.

Orders for twine are estimated closely by the Ministry of Agriculture on the actual requirements of the country, and are exclusive of twine manufactured at home, which amounts to from 32,000 to 48,000 metric tons (hempen twine). This order will ensure the utilisation of the binding machines already in existence in the country, and the Ministry is anxious to deliver the twine up to time.

The seeds of fodder-producing plants and vegetables were imported in large quantities even before the war, and especially from Germany. In spite of all the steps which have been and are being taken to extend the local raising of seed, a very complicated process and one which demands vast organisation and considerable manual labour, the Ministry is obliged, in order to meet the needs of the country and of the army, to obtain from abroad (Denmark and England) vegetable and fodder seeds, chiefly for root crops.

The necessity of extending our pharmaceutical industry obliges us to get from abroad the seeds of medicinal plants.

Before the war silk worm eggs were imported almost entirely from Turkey (the Bagdad kind). Profiting by the absence from the market of Turkish eggs, the Ministry of Agriculture has taken the necessary steps to propagate European eggs in Russia. 70,000 zolotniks (288 kilogrammes) have already been ordered from Italy, and an option has been obtained for a similar quantity for 1918, in order to meet the growing requirements of silk for the army. In addition, it is expected that 1,120 kilogrammes of eggs will be prepared in Russia.

**Manures.**—Russia in Europe (exclusive of districts occupied by the enemy) needs for 1917, 75,000 metric tons of superphosphates. For the year 1918 the requirements will amount to 192,000 metric tons, on the supposition that the provinces occupied by the enemy will be free. For the 1917 requirements Russian manufacturers will produce about 32,000–55,000 metric tons of superphosphates; and it is hoped, if circumstances are favourable, that 19,000 metric tons will be obtained in 1917 from France, to pay for which the sum of 2,280,000 roubles must be forthcoming. In 1918 the national factories will probably produce from 48,000 to 64,000 metric tons, according to the quantity of acid which can be supplied by the Ministry of War.

**Insecticides.**—The total quantity of these commodities wanted for 1917 and 1918 amounts to 11,400 metric tons:—8,000 metric tons of sulphate of copper; 3,200 metric tons of flowers of sulphur; and 80 metric tons each of arseniate of copper, chloride of barium and formaline. Orders for 9,000 metric tons of insecticides have been placed partly in England; and partly, through the Committee in London, in France and Italy. It is thought that Russia may be able to manufacture nearly 2,400 metric tons of sulphate of copper, thus making up to the total of insecticides to the 11,400 metric tons required.

**Machinery for Felling and Working Timber and Hydrotechnical Work.**

Timber.—The war has forced the Ministry of Agriculture to take urgent measures in order to turn to account the State forests with a view to meeting the requirements of the Army in timber of various sorts, and the requirements of the country in fuel. As the war went on, and as more men were summoned to the colours, work in the forests diminished, until the needs of the Army could no longer be met. Under these circumstances the Ministry of Agriculture was obliged to undertake to supply the Ministry of War with materials which could no longer be bought, and which were necessary for various purposes (rifle butts, oak planks, hubs and rims of wheels, &c). In addition the Department of Woods and Forests arranged to meet railway requirements for wooden sleepers, and is contemplating working the forests in the Northern Districts for export.

For this purpose it is necessary to increase the plant in existing saw mills, and to build new ones, as well as new factories for working the wood, and to organise the despatch of timber for shipment, &c.

Since it will be impossible to procure all the necessary machinery, &c., in Russia, the Ministry has under consideration the following orders to be placed abroad:—

1. The tools, &c, for seven carpenters' shops to turn out:
   (a) Waggons.
   (b) Window frames and doors to be used in restoring houses in districts which have suffered from the war.
Hydrotechnical work.—The more important work of a hydrotechnical nature, actually under way and due to the war, can be classified as follows:—

1. Work in the peat bogs, with the object of supplying peat to the railways which serve the front, and to factories engaged on army work.
2. The supply of water to the armies for drinking and sanitary purposes.
3. Constructional work in connection with the allocation of State land to those who are taking part in the war, the making of roads and railways, aerial and narrow gauge, to serve the front; the setting up of shops and power stations.

To carry out the various kinds of works enumerated above, the following machines and accessories must be obtained from abroad:—

For (1)—Traction engines and driving bands.
For (2)—Mechanical borers, pipes and cables.
For (3)—Excavators; rolling stock, steel cables for aerial railways, rails and fishplates; machines for constructional work and a complete set of plant; turbines, generators, motors and their accessories.

The total value of orders proposed to be placed abroad amounts to 163,568,860 roubles (about 17,000,000L), including a sum of 5,888,640 roubles (613,000L) already guaranteed, 4,283,640 roubles (451,000L) for America, and 1,560,000 roubles (162,000L) for Sweden.

STATEMENT OF MINISTRY OF AGRICULTURE.

Supplemental Notes (Prêcis).

I.—The Decrease in the Area of Land under Cultivation.

European as distinct from Asiatic Russia.—It has been stated that the decrease in land used for cereal crops in Russia as a whole decreased by 15 per cent. between 1914 and 1916. It has, however, to be borne in mind that Asiatic Russia, which has itself suffered a diminution in the area cultivated, at present does little more than satisfy its own needs, the surplus of cereals on the latest figures being only 11 million quarters. Moreover, great difficulties exist at present in connection with railway transport.

Taking into account European Russia only, the decrease in the area used for cereals between 1913 and 1916 was 18.5 per cent. as compared with 15 per cent. in the whole of Russia. The figures are as follows:—

<table>
<thead>
<tr>
<th>Land cultivated for Cereal Crops</th>
<th>1913</th>
<th>1916</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole of European Russia</td>
<td>98.8 million hectares (244 million acres)</td>
<td>80.5 million hectares (198 million acres)</td>
</tr>
<tr>
<td>European Russia, excluding Poland and other districts occupied by the enemy</td>
<td>87.5 million hectares (216 million acres)</td>
<td>80.5 million hectares (198 million acres)</td>
</tr>
</tbody>
</table>

The crops which have suffered most in European Russia owing to this decrease are summer-sown wheat, rye, and barley. The area of summer-sown wheat has been reduced by 9 million acres, that of rye by 2.1 million acres, and that of barley by 1,800,000 acres.

II.—The Corn Supply and the Needs of the Population.

The total harvest of foodstuffs throughout the Empire, including oats, but not potatoes, varied in the last few years before the War from 300 to 400 million quarters, which was not only fully sufficient for the needs of the population, but permitted the
export of a very considerable quantity of the grain, the amount exported varying from 40 to 60 million quarters.

The following deficiencies now have to be taken into account —

<table>
<thead>
<tr>
<th>Quarters.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deficiency due to decrease in area cultivated in 1916</td>
</tr>
<tr>
<td>Deficiency due to decrease of autumn sowings in European Russia in 1916</td>
</tr>
<tr>
<td>Deficiency due to decrease in 1917 in area used for summer crops (assuming 10 per cent. decrease as in 1916)</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

The population of European Russia on January 1st, 1917, may be put at about 150 millions, assuming that only a quarter of the population of Poland and two-thirds of the population of the Western provinces have migrated to the interior. This figure includes the Army and therefore a part of the male inhabitants of Asiatic Russia.

Estimating the normal consumption of corn-stuffs at 1·6 quarters per head yearly, the total quantity necessary for 150 million people is about 240 million quarters. According to recent figures an acre yields 1·4 quarters of corn of all kinds, and on this basis the area needed for the production of the above-mentioned quantity of corn must be about 190 million acres, without counting the area needed for oats and oil-yielding plants and other crops. As has already been mentioned above, the area of all field cultivation has already reduced in 1916 to 198 million acres, and a further reduction may certainly be anticipated in 1917 owing to the increasing lack of labour.

In these circumstances it can only be reckoned at the most that the production of cereals in European Russia will be a quantity which will barely suffice for the needs of the Army and the civil population. As already stated, a material importation into European Russia of surplus corn from Asiatic Russia cannot be expected, having regard to the insignificance (according to approximate figures less than 11 million quarters) of this surplus and the great difficulties of railway transport.

A considerable increase in grain production in European Russia is, however, still quite possible, given an increase in intensive cultivation and especially the more widespread use of artificial manures, as well as the extension in the ensuing spring of the sowing of summer crops, if the agriculturalists could be assured that there is a possibility of their receiving in time the necessary harvesting machines and other instruments which will to some extent make good the lack of labour.

In the south and east of European Russia, which is in a large measure the granary of the population, summer crops often occupy from two-thirds to five-sixths, and even a larger proportion of the cultivated area. Thus, it would have been possible under favourable agricultural conditions to have made good the deficiency in autumn-sown crops last year by the more extensive sowing of summer crops. This region of European Russia is occupied chiefly in the cultivation of wheat and barley, i.e., the main items of exported corn. The area devoted to these grains could be extended first and in the greatest measure.

Peasant Proprietorship.—It may be noted that the amount of land under cultivation by peasant proprietors in European Russia (excluding the occupied territories) increased by 29 million acres between 1913 and 1915. This increase does not, however, represent an increase in the amount of land under cultivation, but a transfer to peasant proprietorship of land which was previously held by landlords and cultivated by the peasant under certain conditions, such as on a basis of half profits. Owing to the considerable rise in prices and in the cost of labour and other unfavourable economic conditions, it was found necessary to transfer the ownership of the land in question to the peasants.
export of a very considerable quantity of the grain, the amount exported varying from 40 to 60 million quarters.

The following deficiencies now have to be taken into account —

Quarters.

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deficiency due to decrease in area cultivated in 1916</td>
<td>45 millions</td>
</tr>
<tr>
<td>Deficiency due to decrease of autumn sowings in European Russia in 1916</td>
<td>7</td>
</tr>
<tr>
<td>Deficiency due to decrease in 1917 in area, used for summer crops (assuming 10 per cent. decrease as in 1916)</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>66 millions</strong></td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Total Requirements</th>
<th>Already on Order</th>
<th>Remaining to be Ordered</th>
<th>Tonnage Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Russia</td>
<td>Abroad</td>
<td>In Russia</td>
<td>Abroad</td>
</tr>
<tr>
<td>Bags (No.)</td>
<td>300,000,000</td>
<td>—</td>
<td>170,000,000</td>
</tr>
<tr>
<td>Rice (metric tons)</td>
<td>98,000</td>
<td>—</td>
<td>52,000</td>
</tr>
<tr>
<td>Hay presses with spare parts (No.)</td>
<td>164,000</td>
<td>200,000</td>
<td>88,500 (America)</td>
</tr>
<tr>
<td>Banking machines (No.)</td>
<td>—</td>
<td>—</td>
<td>900</td>
</tr>
<tr>
<td>Self-binders (No.)</td>
<td>16,475</td>
<td>—</td>
<td>3,000</td>
</tr>
<tr>
<td>Mowers (N.)</td>
<td>47,900</td>
<td>—</td>
<td>1,530,000 (America)</td>
</tr>
<tr>
<td>Horse rakes (No.)</td>
<td>46,800</td>
<td>—</td>
<td>8,800 (America)</td>
</tr>
<tr>
<td>Shears (N.)</td>
<td>34,000</td>
<td>—</td>
<td>6,000 (Sweden)</td>
</tr>
<tr>
<td>Haymakers (N.)</td>
<td>1,100</td>
<td>—</td>
<td>200 (America)</td>
</tr>
<tr>
<td>— Appareils de recolte pour les fauches (No.)</td>
<td>850</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Threshing machines</td>
<td>2,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Harrows</td>
<td>7,500</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Machines for the preparation of fodder</td>
<td>6,000</td>
<td>—</td>
<td>5,000 (England)</td>
</tr>
<tr>
<td>Machines for extracting the seeds of the fodder plants</td>
<td>1,800</td>
<td>—</td>
<td>800 (Denmark)</td>
</tr>
<tr>
<td>Machines for the cultivation of fruits and vegetables</td>
<td>1,500,000</td>
<td>—</td>
<td>500,000 (Sweden)</td>
</tr>
<tr>
<td>Soybeans (N.)</td>
<td>576</td>
<td>—</td>
<td>1,000,000 (Sweden)</td>
</tr>
<tr>
<td>Machines for the manufacture of linseed (metric tons)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Small tools (metric tons)</td>
<td>1,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Tractors</td>
<td>2,250</td>
<td>—</td>
<td>2,000 (America)</td>
</tr>
<tr>
<td>Spare parts for machines and agricultural apparatus (metric tons)</td>
<td>6,250</td>
<td>5,000 (Sweden)</td>
<td>3,000 (Sweden)</td>
</tr>
<tr>
<td>Twine (metric tons)</td>
<td>40,000</td>
<td>3,000</td>
<td>17,000 (America)</td>
</tr>
<tr>
<td>Supercalophates (metric tons)</td>
<td>75,000</td>
<td>50,000 (Sweden)</td>
<td>24,000</td>
</tr>
<tr>
<td>Fodder and oatmeal seeds (metric tons)</td>
<td>32,000</td>
<td>800</td>
<td>4,800</td>
</tr>
<tr>
<td>Mechanisms for seven carpentry shops</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Medicinal seeds (metric tons)</td>
<td>6-1</td>
<td>—</td>
<td>3-2 (Denmark)</td>
</tr>
<tr>
<td>Silk worms' eggs (kilograms)</td>
<td>1,980</td>
<td>280 (Italy)</td>
<td>800</td>
</tr>
<tr>
<td>Copper (metric tons)</td>
<td>8,000</td>
<td>—</td>
<td>5,600 (England)</td>
</tr>
<tr>
<td>Sulphur (metric tons)</td>
<td>3,200</td>
<td>1,000</td>
<td>1,280</td>
</tr>
<tr>
<td>Copper arsenate (metric tons)</td>
<td>50</td>
<td>—</td>
<td>80</td>
</tr>
<tr>
<td>Barium (metric tons)</td>
<td>80</td>
<td>—</td>
<td>80</td>
</tr>
<tr>
<td>Formalin (metric tons)</td>
<td>80</td>
<td>—</td>
<td>80</td>
</tr>
<tr>
<td>Mechanisms for three saw-mills</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>112 mach.</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Mechanisms for three saw-mills</td>
<td>82</td>
<td>—</td>
<td>74</td>
</tr>
<tr>
<td>Steam boats</td>
<td>4</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Steamboats and transportable railways</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pumps, &quot;elevators,&quot; and stone crushers</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Motor rollers</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Mechanical drills</td>
<td>7</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Locomotives for working peat-bogs</td>
<td>168</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Compressors (7), perforators (15), presses (15), cranes (5), hammers (5)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Complete apparatus for manufacture of macaroni</td>
<td>8</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Machines for installation of cement works</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Tractors and tractors</td>
<td>69</td>
<td>—</td>
<td>60</td>
</tr>
<tr>
<td>Automobiles</td>
<td>22</td>
<td>—</td>
<td>22</td>
</tr>
<tr>
<td>Water turbine generators</td>
<td>5</td>
<td>—</td>
<td>5</td>
</tr>
<tr>
<td>Surveying instruments</td>
<td>5</td>
<td>—</td>
<td>5</td>
</tr>
<tr>
<td>Rails, flanges, for light railways (metric tons)</td>
<td>9,920</td>
<td>—</td>
<td>9,920</td>
</tr>
</tbody>
</table>

* The numbers in brackets show the goods which do not require naval tonnage.
SECRET.
G.-139.

WHEAT STOCKS IN UNITED KINGDOM.

Memorandum by the Food Controller.

I DESIRE to draw the immediate attention of the Cabinet to the position of wheat stocks, which are dangerously low, and if not immediately rectified will expose the country to great danger. (Statement herewith.)

The present stock of wheat and flour is about 6,000,000 quarters. It would be necessary, reckoning the consumption at normal (i.e., 600,000 quarters per week), to import 20,500,000 quarters so as to obtain a six months’ stock by the end of July. This represents an average weekly import of 231,000 tons, whereas the demand at present made to the Tonnage Priority Committee represents 127,000 tons per week. On this basis, therefore, we should require to import 104,000 tons per week additional, or about 450,000 tons per month.

The most urgent need, at the earliest possible moment, is to bring wheat stocks up to at least thirteen weeks, i.e., three months’ supply, which was the position at the beginning of this year. The programme of the Wheat Commission at present provides for the following shipments to the United Kingdom during April and May:

<table>
<thead>
<tr>
<th>April</th>
<th>May</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tons</td>
<td>Tons</td>
</tr>
<tr>
<td>North America</td>
<td>320,000</td>
</tr>
<tr>
<td>Argentina</td>
<td>84,600</td>
</tr>
<tr>
<td>Australia</td>
<td>54,600</td>
</tr>
</tbody>
</table>

The shipments arranged from North America are, in my opinion, hopelessly inadequate, and ought to be greatly increased.

Tonnage should be found immediately, i.e., within the next two months, sufficient to ship all the wheat which has been, or can be, bought in the United States and Canada. This supply, whatever it may be, should be secured at once.

DEVPNPORT.

March 26, 1917.
**STATEMENT** showing the Number of Weeks' Supply of Wheat (including Flour) in the United Kingdom each Week from September 4, 1916, to the present date, compared with the corresponding Week of 1915-16.

<table>
<thead>
<tr>
<th>Date, 1916-17</th>
<th>Number of Weeks' Supply</th>
<th>Corresponding Date, 1915-16</th>
<th>Number of Weeks' Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1916—</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 4</td>
<td>19</td>
<td>19f</td>
<td>191</td>
</tr>
<tr>
<td>11</td>
<td>18f</td>
<td>191</td>
<td>191</td>
</tr>
<tr>
<td>18</td>
<td>18</td>
<td>191</td>
<td>191</td>
</tr>
<tr>
<td>25</td>
<td>18</td>
<td>191</td>
<td>191</td>
</tr>
<tr>
<td>October 2</td>
<td>18</td>
<td>181</td>
<td>181</td>
</tr>
<tr>
<td>9</td>
<td>17f</td>
<td>171</td>
<td>171</td>
</tr>
<tr>
<td>16</td>
<td>17f</td>
<td>171</td>
<td>171</td>
</tr>
<tr>
<td>23</td>
<td>171</td>
<td>171</td>
<td>171</td>
</tr>
<tr>
<td>30</td>
<td>17</td>
<td>171</td>
<td>171</td>
</tr>
<tr>
<td>November 6</td>
<td>16f</td>
<td>161</td>
<td>161</td>
</tr>
<tr>
<td>13</td>
<td>161</td>
<td>161</td>
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*Statistics and Information Branch,*  
*March 27, 1917.*
ORDER OF THE BRITISH EMPIRE.

(Memorandum by Lord Curzon.)

ON the 9th February the War Cabinet instructed Sir F. Ponsonby's Committee to prepare a scheme for the proposed new Order on the basis of optional knighthood, i.e., anyone receiving the two higher classes of the Order should be at liberty to decline the knighthood ordinarily associated with those classes, and should append to his name initials which were the equivalent of knighthood, but did not carry with them the titles "Sir" and "Lady." When this scheme was drawn up, it was thought to be very doubtful whether the letters G.M.B.E. (i.e., Grand Member) and S.C.B.E. (i.e., Star Commander) would meet with popular acceptance, while the difficulty of precedence was felt to be insuperable. Anyone not a Knight could not be placed in front of those who are Knights. Accordingly, the G.M.B.E.'s and S.C.B.E.'s and their wives would rank below all Knights Bachelors and their wives, while those recipients of the new Order who had elected to take a knighthood would rank above all Knights Bachelors, and would be placed at the end of the existing orders of knighthood.

Confronted with this difficulty, the Cabinet instructed Sir George Cave and myself to confer with Sir F. Ponsonby's Committee, with a view to seeing whether any other solution could be found.

Let it be remembered that the problem before us is to find an Order which will be suitable for presentation to and will satisfy the following entirely different classes of persons:

(a.) Foreigners, numbering probably several thousands, who have rendered valuable service in the various theatres of war, and who do not understand and would not appreciate an Order without classes or without distinction.

(b.) Persons in our own dominions or colonies who attach a good deal of importance to social precedence and to titular prefixes to their names.

(c.) Persons of distinction at home, from Princes or Cabinet Ministers downwards, who have done real service in connection with the war, but to whom it would be absurd to offer the style and title of Knight.

(d.) Labour members and trades-unionists who would not refuse a decoration, but would, for reasons entirely honourable to themselves, abjure a title.

(e.) Munition and other war workers in every sort of sphere, many of whom would not care for a title; but a probably equal, perhaps a larger, number of whom would not care for a distinction unless it were accompanied by a title.

To found an Order which will satisfy the claims of all these conflicting parties was the almost impossible task set before the Committee.

As the result of a Conference held on the 26th March, we decided to submit two alternative schemes to the War Cabinet, for both of which there is something to be said, but neither of which is free from objection. Objections, indeed, are inseparable from any solution that can be proposed.

First Scheme.—The first scheme contemplates the creation of a single decoration which should follow the continental practice of possessing five classes, but should carry with it no knighthood. Such a decoration, in its various classes, might be bestowed upon every variety of aspirant, both at home and abroad. The nomenclature would be as follows:

G.C.B.E. Grand Commander.
G.O.B.E. Grand Officer.
C.B.E. Commander.
O.B.E. Officer.
A.B.E. Associate.
On the Continent it would give general satisfaction, because it would be in strict accordance with foreign precedent, while the absence of knighthood would be immaterial to foreigners, the majority of whom do not desire, and cannot make use of a knighthood.

The scheme possesses the further advantage that women would be eligible to it without the invention of any new title, and could append the same initials to their names as men.

Further, it would dispense the Crown from creating a new Order of knighthood—which would probably mean the permanent addition of 500–800 fresh Knights and Ladies to the establishment of Knights and Ladies in the Empire. On the other hand, any person willing to receive a war award, but anxious to be adorned with a knighthood would not be given the Order, but could be accommodated by inclusion in one of the existing Orders of knighthood, or by being made a Knight Bachelor.

Such an Order, moreover, being dissociated from knighthood, might be conferred in its highest classes (a) on persons of the greatest distinction, e.g., a Prime Minister, or a dominion representative (General Smuts), neither of whom would accept knighthood, or on Labour Members and leaders, or on the Clergy.

The drawbacks of this scheme are, of course, that it would probably not be sufficiently appreciated in the dominions and colonies, where titles and social precedence are regarded as of great moment; and that it might cause considerable disappointment among those classes in this country whose service in the war has not been wholly untinged by expectations of social preferment to come, and who would prefer a knighthood to any number of ornamental letters. If, on the other hand, knighthoods were conferred in very large numbers on war workers, the value of the new Order would pro tanto be diminished.

Second Scheme.—The second scheme recognises a fundamental divergence between the aspirations and needs of the various classes concerned, and provides for them by creating: (a) a new Order of knighthood—for those to whom a title and precedence are the paramount consideration; (b) a new decoration, of one class only, unaccompanied by title, and carrying no precedence, for those of either sex who hold the opposite view.

(a.) The Order would be that of the British Empire with five classes: Knights Grand Cross, or G.C.B.E.; Knights Commanders, or K.C.B.E.; Commanders, or C.B.E.; Officers, or O.B.E.; Associate, or A.B.E.—the first two carrying knighthood. Women would be admitted and would become Dames Grand Cross, e.g., Dame Penelope Stanhope, G.C.B.E., and Dame Commander, D.C.B.E.—the assumption of the title being optional. It would probably be undesirable to give them the title of "Lady," because otherwise we might have "Mr. Thomas Perkins, A.B.E., and Lady Perkins, K.C.B.E."—a fruitful source of domestic perturbation.

(b.) The decoration would be called War Service Order (W.S.O.) if it were to be confined to the purposes and duration of the war, or National Service Order (N.S.O.) if it were to be a permanent addition to the list of British decorations. It would indeed be the equivalent for civilians to the D.S.O. for soldiers, would be open to both sexes, would raise no pretence of title or precedence, and would largely depend for its distinction upon the list of first appointments and upon a none too profuse distribution afterwards.

The advantages of this two-fold scheme have already been indicated. It would apparently provide for every need at home and abroad. On the other hand, there is a certain risk in creating two decorations for the same service: it might be found difficult to weigh against each other the respective merits of, say, the W.S.O. and the O.B.E.; and the W.S.O. would be discredited from the start unless its superior or at least equal distinction were established.

Possibly a rule of discrimination might be laid down by giving the W.S.O. to permanent officials, and the O.B.E. to persons who have been temporarily employed during the war.

The two schemes are submitted with no sort of exhilaration to the War Cabinet. Were it not for the insatiable appetite of the British-speaking community all the world over for titles and precedence, the first would be unhesitatingly recommended.

C. of K.

April 1, 1917.
NOTES BY MR. JOSEPH DAVIES.

(Previous Paper No. G.-139.)

AN examination of the statistical position justifies the joint conclusion of the above memoranda, that the position of our wheat supplies constitutes a question of grave urgency, demanding strong and immediate action.

The appended statistics show that it is probable we can provide for our needs of wheat until the 30th September next, when our 1917 crop will be harvested. All attention should therefore be concentrated on our position at that date, when with twelve months to run no further home supplies can be had.

By that date our available shipping will—according to the estimate of the Shipping Controller—be reduced from its present figure of 8,000,000 tons to 6,800,000 tons; and neutral shipping will decrease in at least as great a proportion. In addition there is the risk of further loss through raiders.

The following factors must also be taken into consideration:

1. That British shipping tonnage will probably continue, after September, to decrease at the rate of at least 200,000 tons per month.
2. Neutral tonnage supplies will decrease in a proportion at least as great.
3. That there is a possibility of losses through submarines and raiders exceeding the present estimate of the Shipping Controller as shown above.
4. That a failure in the American 1917 wheat crop similar to that of 1916 might force the United States of America to limit, if not prohibit, exports.
5. That, in addition to our needs, we are largely responsible for supplies to our Allies; and that to run risks of shortage for ourselves is to endanger France and Italy.

Under such conditions it cannot be too strongly urged that this country will be in a position which must cause grave anxiety if the opening of next winter finds us with a stock of wheat representing less than six months' consumption. Even with a six months' reserve then in hand, the national consumption will require an average import of 280,000 tons of wheat per month in order to carry on to the harvest of 1918.

The Necessity for a 600,000 Ton a Month Programme.

As shown in the following statistics, this safety-line cannot be reached except by an immediate increase of imports up to 600,000 tons a month:

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<th>Month</th>
<th>Estimated Imports (Tons)</th>
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<tr>
<td>For April</td>
<td>459,000</td>
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<tr>
<td>For May</td>
<td>536,000</td>
</tr>
<tr>
<td>For June</td>
<td>394,000</td>
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<tr>
<td>Total</td>
<td>1,390,000</td>
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</table>

Against this, our actual consumption during these three months will be 1,600,000 tons, of which home-grown wheat will furnish 400,000 tons and the imports should provide 1,200,000 tons.

Thus, unless the present programme is materially increased, in the next three months, a period during which our tonnage supplies will be greater than they are likely to be during the rest of the war, we shall be steadily eating into our reserves.

Every week that is allowed to pass will make the problem of securing the necessary reserves more difficult.

The required stock can only be built up month by month, as, irrespective of shipping difficulties, the loading and discharging ports are limited in their capacity for handling grain. To secure transport for 600,000 tons per month it is
clear that a drastic readjustment of the 1917 calls on our shipping must be made. The following suggestions are also put forward:

1. **Raw Cotton.**

Imports from United States of America, first two months of 1917, 127,000 tons.

At 24th March, 1917, the stock of American cotton at Liverpool and Manchester was 155,000 tons, equivalent to two months' supply. In addition, large stocks were held in manufacturers' hands. It would therefore be possible to prohibit the import of cotton for two or three months, or better to limit it to 25 or 30 per cent. for a longer period. If needful, cotton mills could be put on part time. The whole of the tonnage saved could be diverted to wheat, and as both come from the United States of America, with cotton costing four or five times as much as wheat, weight for weight, our exchange with United States of America would benefit. The Committee on restrictions of imports did not recommend any reduction in cotton imports, but they stated that, in their opinion, "the matter should be further considered."

2. **Wool.**

Imports from Australia, first two months of 1917, 42,000 tons.

Some of this space could probably be diverted to wheat without risking essential supplies of woollen goods for the Army.

3. **Russian Wheat.**

Russia has promised 500,000 tons of wheat from Archangel. In view of the vital importance of securing this, and the uncertainty of Russian promises, it is suggested that our representatives in Russia should be supplemented by a special Commissioner or Commission, whose sole duty would be to see that the wheat is sent to Archangel and shipped.

This supply is the more valuable as it will reach the United Kingdom and France in ships which would otherwise return light from Archangel.

4. **American Tonnage.**

Now America has definitely come in, an immediate effort should be made to secure the assistance of American shipping and German shipping in United States of American ports in conveying the necessary increase in wheat supplies to this country.

**The Possibility of Preventing Famine by Substituting other Cereals for Wheat.**

The suggestion has been put forward that in the event of wheat supplies failing the utilisation of barley and oats for human food would "secure the nation against actual starvation, even if no food supplies whatever could be imported." On this point the following statistics are put forward:

### Annual production of Cereals and Potatoes.

<table>
<thead>
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<th>United Kingdom.</th>
<th>Germany.</th>
<th>Austria-Hungary.</th>
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</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>2,000,000</td>
<td>4,000,000</td>
<td>6,700,000</td>
</tr>
<tr>
<td>Barley</td>
<td>1,500,000</td>
<td>3,500,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Oats</td>
<td>3,000,000</td>
<td>8,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Rye</td>
<td>1,000,000</td>
<td>11,000,000</td>
<td>4,000,000</td>
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<tr>
<td>Maize</td>
<td>7,500,000</td>
<td>40,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Potatoes</td>
<td>14,000,000</td>
<td>66,500,000</td>
<td>40,700,000</td>
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</tbody>
</table>

Population to be fed: United Kingdom: 60,000,000, Germany: 66,800,000, Austria-Hungary: 52,000,000.

Cereals grown per head of population: United Kingdom: 2.82 cwt., Germany: 7.65 cwt., Austria-Hungary: 8.75 cwt.


Cereals and potatoes grown per head of population: United Kingdom: 6.08 lbs., Germany: 19.42 lbs., Austria-Hungary: 15.65 lbs.
If Germany with its organised control of the people has been driven to its present food shortage when its home production of cereals and potatoes equals 19 cwt. per head, it is difficult to see how with 6 cwt. per head this country, under any system of rationing, could be secured against starvation.

10, Downing Street, April 11, 1917.

(Signed) JOSEPH DAVIES.

TABLE 1.

POSITION at 30th September if present Wheat Programme continues unchanged.

| Stock of wheat in United Kingdom at 31st March, as estimated by Food Controller | Quarters | 5,745,000 |
| Prospective imports— | | |
| April (based on tonnage provided by Shipping Controller) | Tons | 459,000 |
| May and June (based on provision made by Wheat Commission) | | 335,000 |
| July, August, and September (taken at same total as April, May, and June) | | 944,000 |
| Total imports to 30th September | | 1,988,000 |
| Equals in quarters | | 9,273,000 |
| Total imports to 30th September (exclusive of United Kingdom 1917 crop) | | 15,020,000 |
| Deduct— | | |
| Consumption to 30th September at 575,000 quarters per week | | 14,920,000 |
| Stock at 30th September (excluding 1917 crop) | | 70,000 |
| Crop of United Kingdom, estimated at same figure as the 1916 crop | | 7,470,000 |
| Total stock held at 30th September | | 7,540,000 |
| Equal to from 12 to 13 weeks' consumption. | | |

TABLE 2.

IMPORTS Required to Provide by the 30th September a Reserve of Wheat equal to Six Months' Consumption.

| Stock at 31st March | Quarters | 5,745,000 |
| Imports required— | Tons | |
| April | 600,000 |
| May | 600,000 |
| June | 600,000 |
| July | 600,000 |
| August | 600,000 |
| September | 600,000 |
| Total | 3,600,000 |
| Equals in quarters | 16,800,000 |
| Total supplies to 30th September (exclusive of United Kingdom 1917 crop) | 22,545,000 |
| Deduct— | |
| Consumption to 30th September at 575,000 quarters per week | 14,920,000 |
| Stock at 30th September (excluding 1917 crop) | 7,540,000 |
| Add— | |
| Crop of United Kingdom at same figure as the 1916 crop | 7,470,000 |
| Total | 15,065,000 |
| Sufficient to provide for a consumption of 575,000 quarters per week for 26 weeks. | | |
IN October 1916 my predecessor, Mr. Balfour, circulated some questions about Heligoland to certain naval officers of distinction, serving at the Admiralty and afloat, and invited their opinions.

I circulate, for the information of the War Cabinet, the questions and the replies.

Admiralty, April 5, 1917.

E. C.

QUESTIONS ON HELIGOLAND.

Though nobody can foresee with any assurance either the date at which peace will be declared, or the circumstances under which its terms will be considered by the Powers, it seems desirable that careful consideration should be given to the various problems on which the country may have to form an opinion. Some of these problems, though territorial in appearance, are naval in fact, and among these not the least important are the questions connected with Heligoland.

The man in the street—whether the street be in London or Berlin—undoubtedly holds the view that the possession of Heligoland has been a great naval strength to Germany, and that whether, under the then existing conditions, Great Britain was right or wrong to cede it under the settlement made in 1890, modern developments both in sea power and air power have proved that she made a very bad bargain.

It is, however, clear, from such informal conversations as I have had on this subject with high naval authorities, that this is not the unanimous view of the Navy, perhaps is not its view at all. In order to clear the matter up I have drawn out a series of questions whose answers may provide a solid foundation for any decision which the country may be called upon to take:

I.—Does the possession of Heligoland by Germany help the German Fleet?

(a.) Does it materially increase our difficulties in carrying out hostile operations in the Bight either by (1) surface craft, (2) submarines, (3) aircraft?

(b.) If so, is this result due to the fact that heavy guns are mounted upon the island; or that it provides an important post of observation connected both with the land and sea by wireless? or that its harbour materially aids the work of German submarines, mine-layers, and destroyers?

(c.) Does it hamper our blockade?

(d.) Does it facilitate the movements of the High Seas Fleet?

II.—1. Would the possession of Heligoland by Britain help the British Fleet?

(a.) What garrison would it require in time of peace to secure it against a coup de main; and with what armaments must it be provided to make it safe and useful in time of war?

(b.) If it is to be treated as a fortress, could we tolerate the German population on its shores, or, indeed, any population not directly required for the service of the garrison?

(c.) How far would the necessity of providing reliefs to the garrison, and of supplying food and munitions, hamper us during hostilities? Would it interfere with our naval freedom of action? Would it involve important risks either to our warships or our transports?

(d.) Would the possession of the island help us to menace, by submarines or mines, the German Fleet either issuing from the Bight, or returning through it?
(e.) Would an air station on the island prove a valuable source of information with regard to the movements of the High Seas Fleet? and
(f.) Would it constitute a serious menace to German naval bases and the Kiel Canal?

2. If, as is probable, the answers to these questions do not all point in the same direction, how does the balance of advantage and disadvantage lie? In other words, putting all questions of sentiment on one side, should we gain or lose as a naval Power by possessing Heligoland—

(a.) Ungarrisoned and unfortified?
(b.) As a subsidiary naval station fortified and garrisoned so as to be secure against attack both at the outbreak of war and during its continuance?

It must be noted that in answering this last question the subject of cost must be taken seriously into account.

September 16, 1916.

REPLIES.

(1.)

Reply from Admiral Sir John Jellicoe (Commander-in-Chief, Grand Fleet).

My dear Mr. Balfour, 


I enclose a paper on the questions you ask me regarding the possession of Heligoland.

The point in the paper that I should like to emphasise is, that the possession of a fortified Heligoland would be to us a great incubus and drag on the fleet, exposing the fleet to great risks with no commensurate advantage, unless the fortified Heligoland is entirely self-supporting and in no way dependent on the fleet.

Yours very sincerely,

J. R. JELLCIOE.

Taking the questions raised in the attached paper seriatim the following are the replies:

I.—Yes, as an outpost for aircraft, submarines, and destroyers, its utility is greatly reduced by the circle of minefields, which extend 30 miles to seaward of it. These prevent the approach of surface craft. The gun defences of Heligoland are therefore of little, if any, value to the Germans.

(a.) 1. No, the minefields do this.
  2. Not all.
  3. No experience, but its position is favourable to cover the German rivers from air attacks from seaward.
(b.) As a fortress and observation post, it is of little use. It is of use as an advanced base for submarines, destroyers, aircraft, and minesweepers.
(c.) Not at all.
(d.) Only as an advanced base for destroyers and minesweepers, the former protecting German minefields, and the latter ensuring a safe passage through minefields laid by us.

II.—The possession of Heligoland would be a great misfortune to the British Fleet unless it is absolutely and entirely self-supporting. It would necessitate the constant presence of surface craft of all types to convoy stores and munitions; the losses among which should be heavier than the losses they could inflict on the enemy, because the enemy's primary bases are within 30 miles, and, lying round it in the form of a semi-circle, command all approaches to it.

(a.) I cannot express an opinion. It depends on the feasible landing places. It could not be held in war if dependent on Great Britain for supplies of any sort, as mines and submarines would prevent approach to it.

(b.) No.
(c.) If any dependence were placed on supplies from Great Britain the possession
of Heligoland by us would very seriously interfere with naval freedom of
action, and it would be a very great inimcus to the Navy, involving serious
losses without sufficient compensating advantages.
(d.) Yes, very greatly, provided it could be held without support from Great
Britain.
(e.) Yes, provided the air defences of the Island were strong enough to deal with
the aircraft of the enemy, and the aircraft were in bomb-proof shelters,
otherwise our aeroplanes would be in the position of an inferior fleet
contesting the command of the sea. I should not recommend the basing of
Zeppelins on the Island.
(f.) Yes. See (d.) and (e.).

The case of Gallipoli will assist in appreciating the Heligoland case.
At Gallipoli we held undisputed surface command of the sea; the distances were
small, yet a few submarines deprived us of several battleships, and reduced us to
communicating at night, and by trawlers, tugs, and other small craft. We should
never be as favourably placed as regards supply to Heligoland as we were at Gallipoli.

It is sometimes contended that the possession of Heligoland would seal up the
German bases and forbid the exit of submarines, &c. This cannot be, because the
submarines and other craft can safely leave by the Kattegat; and the case of Zeebrugge
shows that it is very difficult to seal up a port.

The history of the cruises of the German submarine U. C 5 shows that in spite of
our mines, nets, &c., she left regularly at will, and on practically any course, and
returned safely. Many other submarine mine-layers probably did the same, and
destroyers safely use Zeebrugge as a base. It is 50 miles only from Dover, where we
can without hindrance collect any ships and material we wish. Zeebrugge is also open
to bombardment from the sea.

Heligoland would have less power to dominate the German bases than have Dover
and Harwich over Zeebrugge.

2.—(a.) We should gain considerably during war, because the island would not be
a garrisoned and armed enemy base.
(b.) It would be a millstone round the neck of the Navy, and an attempt to hold it
would lead to heavy losses from mine and submarine. The case is different if it were
absolutely self-supporting. In this event, the question of cost must be weighed against
the advantages to be gained.

Summing Up.—There are two conditions under which the possession of Heligoland
would be advantageous to us.

Firstly, if the island were fortified to an extent which would make it impregnable
against German sea and air attack, and if it were entirely self-supporting and independent
of being provisioned or munitioned, or of communication in any way with Great Britain
during, say, twelve months of war, and provided bomb-proof harbours were constructed
in which submarines and aeroplanes could shelter.

There is no doubt that our possession of Heligoland as a submarine base would
prove a great thorn in the side of the Germany Navy, and a very serious menace to the
exit of their fleet from the North Sea ports. Unless it is absolutely self-supporting it
would, on the other hand, be nothing but an incumbrance to the British Navy, and would
involve our surface ships running risks which would be out of all proportion to any
possible advantage to be gained by the possession of the island.

Secondly the possession of Heligoland by this country as an unfortified island,
which would be given up at once at the outbreak of war, would give the advantage
that the Germans could not make it into an advanced base. This, of course, would
involve the destruction of all the works now existent in Heligoland.


J. R. JELlicoe.
Reply from Vice-Admiral Sir David Beatty (Commanding Battle Cruiser Fleet.)

Dear Mr. Balfour,


Your letter, with Heligoland Paper, dated September was only received by me on my return here on the 8th October. I attach some remarks and answers to the questions. It is a complex matter, difficult to solve by question and answer, and needs consideration in conjunction with others who can voice authoritatively the answers to the multitude of further questions which crop up as one probes the main question. I hope my answers will be of value.

The crux of the question lies in the answer to Question II (a). I cannot conceive Germany reconciling herself to our fortifying and garrisoning Heligoland. Much must depend upon her condition when peace reigns once more. It will be to her what Gibraltar is to Spain, and she, if she had not become a decadent race, would have fought us over and over again for its possession. Will Germany be so reduced?

Yours sincerely,

DAVID BEATTY.

In formulating the answers to the various questions on the subject of Heligoland, I have followed the series of questions as put, this being the clearest and most concise method of dealing with them. But I preface the answers with the following remarks.

The problem of Heligoland is a factor of Imperial strategy and not alone a naval factor.

It is assumed that, when the time comes for considering the terms of peace, Germany will be so reduced in strength that she will probably be in no condition to force a European war for at least a generation.

The answers to the questions under heading I (Does the possession of Heligoland by Germany help the German Fleet?) are beyond doubt, and they point emphatically to the decision that it is imperative Heligoland should no longer remain a German possession.

The answers to those under heading II (Would the possession of Heligoland by Britain help the British Fleet?) assume that the situation would be firmly grasped, for half-measures would be useless, and it appears necessary that Heligoland should constitute a complete fortress in all respects at all times. Properly fortified and stored, it should be constantly on a war footing, which would preclude the possibility of its containing any civil population.

As regards the final questions, there is no divergence as to the direction in which the answers point. Obviously, ungarrisoned and unfortified, Heligoland would only remain in our possession just so long as we were at peace with Germany. In view of the future development of the Air Service, the advantages accruing to the possession of Heligoland are immense, for air strategy in future wars will undoubtedly become of increasing importance.

Generally, I have confined the answers to the purely naval side of the question. I assume that the question under II (a) can be answered satisfactorily by competent military authority, and that there is no reason to suppose that, properly fortified and garrisoned, it could not be maintained against any attack from the sea, more especially when possessed by the Power that holds the command of the sea.

October 14, 1916.

The fourteen specified questions may be answered as follows:—

I.—Yes; for the reasons given below.

(a.) Yes; Heligoland represents a fortress at the point of a salient, which renders the salient almost unapproachable.

(i.) Surface craft are hampered in their approach and retreat by a gun-swept circle of 20 miles diameter, which half fills the navigable waters of the Bight.
(ii.) *Submarines* trying to operate in the Bight have a powerful German air station immediately alongside them. E.C. mines can be controlled from the fortress, and more distant mine-fields kept under effective observation. German submarines, aeroplanes, and torpedo-boats can be kept at Heligoland ready for instant attack, in the very centre of the area where our submarines require to work.

(iii.) *Aircraft* are never used by us in the Bight except when taken there by surface craft; they therefore suffer the limitations under heading (a) (i). Also, any British aircraft which might try to work up the Bight can be sure of having a superior air force launched from Heligoland across their line of retreat.

(b.) This is partly answered above. To sum up, the value of Heligoland is based on all these properties and on others as well. It is a fortress with heavy guns of great range; it is a powerful air base both for observation and attack; its situation is ideal; it forms an advanced base for submarines and torpedo craft; and it is the nerve centre of extensive mine-fields.

(c.) The Germans in Heligoland do not greatly hamper our blockade if we compare with the case where Heligoland is either non-existent or neutral, for in such case we should find a close blockade in the Bight very difficult. But if we consider the only rational alternative, Heligoland in our possession, it would immensely help us to prevent merchant shipping entering Hamburg and the Kiel Canal.

Hence in a negative sense it hampers our blockade.

(d.) Heligoland greatly aids the movements of the High Sea Fleet: as a fortress to cover its retirement, as an outpost to protect it while exercising or doing gunnery practices to the eastward, as a base for sweepers to clear passages for its egress, and as a base for aircraft to observe and scout in advance of it.

To sum up then, the value of Heligoland to Germany is very great.

II.—

(i.) Heligoland in our hands would be of enormous importance, not merely for purposes of naval strategy, but more particularly when we look to the requirements of air strategy in the immediate future.

(i.)—(a.) This question must be answered by Military Officers. The fortress, however, should be maintained permanently on a war footing.

(b.) No civil population could be tolerated.

(c.) A weak oversea force which requires a “line of communication” kept open for it may be a source of great embarrassment, but a self-contained fortress, such as Gibraltar or Heligoland should be, would cause no such trouble. The island could easily stow food and munitions for twelve months, but a supply steamer to be passed in by night, say once a month, would present no difficulty which could not be overcome. Even with Heligoland in enemy possession we have been able to send, periodically, minelayers by night to within one hour’s steaming of the fortress.

Only mines could keep the supply ship out, and we have now many effective methods of dealing with mine-fields. Spare planes, airships and their crews would, of course, fly there whenever required.

(d.) Yes; submarines, minelayers, torpedo craft, and aircraft working from such a base might be of inestimable value. Consider how the Germans at Zeebrugge, with an ill-equipped port at a greater distance, have strewed our coasts with wrecks and have constantly blocked the mouth of the Thames. We also, from Heligoland, could do this to Hamburg, Wilhelmshaven, and the Kiel Canal.

(e.) Yes, we could observe the exact state of the High Sea Fleet every morning and would reap other great advantages as well.

(f.) Heligoland as an air base would hold a unique and dominating position in air strategy. All the following places can be reached in an hour or less:—

<table>
<thead>
<tr>
<th>Place</th>
<th>Miles</th>
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<tbody>
<tr>
<td>Kiel</td>
<td>80</td>
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<tr>
<td>Hamburg</td>
<td>80</td>
</tr>
<tr>
<td>Lister Deep</td>
<td>50</td>
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<tr>
<td>Borkum</td>
<td>50</td>
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<tr>
<td>Schillig Roads</td>
<td>30</td>
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<tr>
<td>Cuxhaven</td>
<td>35</td>
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<tr>
<td>Wilhelmshaven</td>
<td>40</td>
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<tr>
<td>Sylt</td>
<td>40-50</td>
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</table>

A three hours’ journey for plane or airship will reach Essen (150 miles), four hours to Berlin (220 miles), five hours to the Austrian frontier (290 miles). These distances
are nothing to an airship, and have been done frequently by planes during the present war.

If we had Heligoland now we could communicate freely by air with our own and Russian ships in the Baltic. Also from this base we can cover large areas of Norway, Sweden, Denmark, and Holland.

Whether we look at it commercially in peace, or strategically in war, Heligoland forms an outpost of such importance that it may justly be called the Gibraltar of Northern Europe.

2. The above answers point very emphatically in one direction. The only difficulty we have to face is some anxiety as to its security, which is not insurmountable.

(a.) To keep Heligoland unfortified is to go less than half-way to our proper objective.

(b.) Fortified and garrisoned and in our hands, Heligoland may well be looked on by future generations as the key of Northern Europe.

Fifty years hence we may be fighting Russia; in matters such as these we must think in centuries. As regards cost, more than half the work is already done for us and what remains can be comfortably spread over the next generation, for war with Germany should not recur within that period.

DAVID BEATTY.

October 14, 1916.

(3.)

Reply from Admiral Sir Henry Jackson (First Sea Lord).

Remarks on the use of Heligoland.

I am not in full agreement with those critics who deplore our want of foresight in having ceded Heligoland to Germany on any terms.

The possession of this island by Great Britain at the outbreak of war would have entailed us attempting to hold it, and probably caused us many naval losses, unless we had abandoned it to the enemy forthwith.

In the main strategy of the war to which we have been forced to conform, the use of Heligoland has been almost negligible as far as it has affected major naval operations, but in a future war against the holders of the estuaries of the rivers flowing into the Heligoland Bight the main strategy might be entirely different, and it is possible that this small island might prove of great strategical value.

In the present war it has hitherto only affected minor naval operations, and has benefitted the enemy by enabling him to maintain an efficient patrol of the German bight by forces weaker both numerically and offensively than would have been possible had the island not existed or been held by ourselves or a neutral.

To answer your questions categorically, it may be stated:—

I.—(a.)—1. It greatly increases the danger to our surface craft penetrating the Bight. Its position as a strongly fortified look-out station 23 miles from the enemy territory and war channels bars access to the inner waters, except through comparatively narrow channels which can be easily guarded with small forces.

2. Its effect on submarines, however, is much less, and its position is in some respects an assistance in enabling them to fix their positions in the Bight much more readily than they could do in its absence.

3. The same remark applies to aircraft, but at the same time if they are sighted on the island the news of their presence can be communicated to the fleet and defending forces by telegraph easier and earlier than could otherwise be the case.

(b.) This result is due to the guns of its defence keeping all surface craft at a distance from its shores which, depends on the visibility at the time, and may range from 1 to 15 miles.

It can signal their approach by telegraph so that the force approaching will not know whether its presence has been made known or not.

Its harbour forms an anchorage for the outpost flotilla of the day, and brings them two hours nearer the North Sea than if they were at anchor at their bases in the rivers. It is not considered it is of much use for minelayers, except as a convenient outport.

(c.) It does not affect our blockading force in the Atlantic Ocean in the present condition in this war.
(d.) Yes, in so far as it prevents our vessels penetrating into the Bight, and its presence forms a fortified barrier under which the vessels of the High Sea Fleet can shelter if for any cause they cannot enter the rivers. A retreating squadron would obtain support about 25 miles nearer the North Sea than it could from the batteries on the inner islands or mainland.

II.—1. (a.) If we possessed Heligoland we should be able to watch and report the exit of the German Fleet from its bases with much greater facility than at present, but this would entail a watching force being based on the island.

The garrison would have to be a large one, probably reaching 5,000 men, and the maintenance of this garrison and the naval forces based on the island would necessitate maintaining an intermittent line of communication to the island from our shores.

The forts and vessels would be subject to frequent attack and also steady attrition; and would constitute a severe drain on our resources, inadequate with the return.

(b.) A German population could not be tolerated, and in a period of strained relations, all persons not required as part of the garrison would have to be removed.

(c.) The maintenance of the garrison would, as stated in (a), be a severe drain on our resources, but would not necessarily interfere with our naval operations elsewhere. All vessels approaching Heligoland would be subject to attack, and the risks to them would always be very serious.

(d.) If we could maintain the island and adequately protect the stores from bombardment, we should be able to hamper the movements of the German Fleet more readily than we can do at present, but probably at a greater expense as a whole.

(e.) An air station would certainly be of value, and a natural addition to the forces on the island if we possessed it.

(f.) Its possession would not actually be a serious menace to the German naval bases, as long as the German Fleet was intact. With no fleet in being, it would bring our base of observation 300 miles nearer the German coast. It would be a thorn in the side of the enemy, and a very great anxiety to us. It would form a submarine base difficult for us to maintain, and may be compared with the Belgian ports in the present war, which are a nuisance to us but do not prevent our freedom of action.

2. (a.) Heligoland ungarrisoned and unfortified would be at the mercy of Germany, who would seize it and refortify it in a few months.

(b.) Fortified as a base, its expense both in money, material, and personnel would not get an adequate return for the reasons given above.

October 1, 1916.

H. B. J.

Reply from Admiral of the Fleet Sir Arthur Wilson.

I.—The possession of Heligoland is of great assistance to the German Fleet. It is useful as a post of observation in itself, and it also provides a place of safety where the enemy's outpost vessels can find shelter under its guns if attacked by a superior force.

Submarines can also be kept there ready to attack any of our vessels which attempt to operate in the Bight. It is not used for aircraft, as far as we know.

The submarines would probably be able to prevent us from keeping a close blockade, even if Heligoland did not exist, but the possession of Heligoland makes it easier for them to do so.

It facilitates the movements of the High Seas Fleet by making it more difficult for us to watch the exits from the Jade and Weser.

II.—The possession of Heligoland, if we could hold it, would be of considerable assistance to us—

1. As a post of observation.
2. As an aircraft station from which the movements of the German vessels in the Elbe and Weser could be watched.
3. As a base where our submarines and destroyers could re-fuel and carry out small refits.
It is doubtful, however, if, even with Heligoland in our possession, we could keep destroyers in the Bight, as they would always be liable to be cut off by a superior force.

It is also very doubtful if any garrison could hold Heligoland if the Germans decided to take it. The total area of the island is so small that it would be hardly possible to give it a larger number of guns and howitzers than it has at present. The island would be always under the observation of the Germans from the three-mile limit and from the air, so that every important change in the armament would be known to them, and they would be sure to make special arrangements for bombarding it by mounting long-range guns in monitors or otherwise. These could choose their own time for attack as we could not keep our fleet in the neighbourhood for fear of submarines.

The monitors would be liable to attack by our submarines, but as they would only have to go a few miles from their base they would no doubt find effective means of protecting themselves against torpedoes. The island would also be continuously exposed to attack from the air.

All our supply ships would be exposed to attack by submarines, and it would be difficult to give them adequate protection.

Our attempts to support the garrison by naval means would probably result in our losing many vessels by submarines and mines, and gradually weakening our force in that way without adequate advantage.

If we took it, it would have to be treated only as a fortress, and everyone in the island would have to be under military or naval discipline.

On the whole, quite apart from the fact that in our hands it would be a constant source of irritation to the Germans, the balance of advantages and disadvantages is very much against taking possession of it.

The dismantling of it as a fortress might be considered in connection with an scheme for neutralising the Kiel Canal under International Guarantee, but in that case Cuxhaven would have to be dismantled also and the forts at Kiel as well. There would be little advantage in having it in our possession unfortified as we could not then prevent the Germans from taking possession of it and fortifying it in case of war.

October 5, 1916.

A. K. W.

Reply from Vice-Admiral Sir Somerset Gough-Calthorpe (Second Sea Lord).

Questions on Heligoland.

I.—(a.)—(1.) Yes.
   (2.) Not materially.
   (3.) Not materially.
   (b.) Yes. All three.
   (c.) No. Not materially from the point of view of modern blockade.
   (d.) Yes, as an outpost. It enables them to start closer to the North Sea. It shelters a fleet falling back.
II.—(a.)—(1.) In peace, about 5,000 men; in war, very heavy armament at a very great expenditure. Very costly line of communication; and it is too small for a main base.
   (b.) No.
   (c.) (1.) An appreciable drain on our resources.
    (2.) No.
    (3.) Yes.
   (d.) Yes.
   (e.) Yes.
   (f.) A menace certainly; how serious depends on many factors.
II.—(2.)—(a.) Yes, in the early stage of a war. Probably only for a short time.
   (b.) Probably lose more than we should gain.

October 23, 1916.

Dear Mr. Balfour,

I have answered your questions seriatim to avoid confusion:

I.—(a.)—(1.) Yes.
   (2.) Not materially.
   (3.) Not materially.
   (b.) Yes. All three.
   (c.) No. Not materially from the point of view of modern blockade.
   (d.) Yes, as an outpost. It enables them to start closer to the North Sea. It shelters a fleet falling back.
II.—(a.)—(1.) In peace, about 5,000 men; in war, very heavy armament at a very great expenditure. Very costly line of communication; and it is too small for a main base.
   (b.) No.
   (c.) (1.) An appreciable drain on our resources.
    (2.) No.
    (3.) Yes.
   (d.) Yes.
   (e.) Yes.
   (f.) A menace certainly; how serious depends on many factors.
To sum up:

Heligoland is too small to be made a Gibraltar. We might hold it for a term of years, say five, or till the war indemnity was paid, if one was contemplated. It might then be ceded back, dismantled, with a proviso that it was neither to be fortified nor garrisoned. This would make it less effective during the first stage (only) of a future war.

In my opinion, it would not pay us to hold it permanently both garrisoned and fortified. It would cost us more than we should gain by it.

A. G.-C.

Reply from Rear-Admiral Tudor (Third Sea Lord).

The replies I should feel inclined to give to the questions you put are as follows:

I.—

(a.) and (b.)—1. Yes. Our surface craft must keep outside its gun range; its harbour affords shelter to submarines and other craft, gives protection to minesweepers, and is an outpost for information. It therefore counters our surface craft from all these points of view.

2. Yes, to a certain extent.

3. Only in so far that it is a potential menace to vessels carrying aircraft.

(c.) It prevents us from having a blockade.

(d.) Yes, in so far as it hindres our observation and reduces the area in which we can act freely.

II.—

1. Yes.

(a.) I doubt if a garrison exceeding 2,000 to 3,000 men would be necessary, provided a submarine flotilla were based on its harbour.

A moderate number of long-range guns combined with submarines and other torpedo craft should make its capture by a coup de main difficult.

(b.) It would be wise to clear the Germans out; otherwise it might be open to our own nationals.

(c.) Reliefs, food, and munitions should provide little difficulty if our fleet be superior.

(d.) Yes, it would be a constant menace to their fleet coming out if used as a submarine base.

(e.) Yes, certainly.

(f.) It would form an advanced base for on attack on German naval bases and the canal.

2.—

(a.) Yes.

(b.) Yes, and not at great cost.

I am sorry that Heligoland, fortified or unfortified, did not belong to us when this war broke out, because it would have entailed two things, both to the disadvantage of the Germans.

We should have had submarines in the harbour, so that Germany must have suffered losses to take it; and when taken she would have had to undertake its fortification under difficulties, instead of everything being ready for her.

One of our greatest troubles has been that we have had so little to attack, but with Heligoland in our possession, and fortified, Germany would either have to leave it unmolested—a valuable outpost for us—or she would be presenting us with constant objects for attack, and would undoubtedly sustain considerable losses.

I am, therefore, very strongly in favour of the recession of the island if we are ever in the position to obtain it; and it should be fortified.

To turn it over to a weak neutral would be useless, as the weak neutrals have proved as regards Germany, and the weaker than neutral. To leave it to Germany, unfortified, will simply provoke disputes and difficulties should they commence to fortify, just as we are having a dispute with another country, or even internal troubles.

A recession, it must be remembered, is not the same thing as annexation after conquest, and should not leave any bitter feelings on the part of the Germans, who have missed what we presented them with.

Perhaps you may think that in these notes my instinct is more apparent than my
logic, but I do instinctively feel that we should be wrong not to acquire and fortify Heligoland if Providence once more gives us the chance.

F. C. T. T.

October 26, 1916

(7.)

Reply from Commodore Lambert (Fourth Sea Lord).

I.—Does the possession of Heligoland by Germany help the German Fleet?

Yes.

(a.) Does it materially increase our difficulties in carrying out hostile operations in the Bight either (1) surface craft, (2) submarines, (3) aircraft?

Heligoland as a fortified advanced base is a material obstacle to all operations in the Bight.

(b.) If so, is this result due to the fact that heavy guns are mounted upon the island; or that it provides an important post of observation connected both with the land and sea by wireless; or that its harbour materially aids the work of German submarines, minelayers, and destroyers?

This is due to the fact that it is a signal station, and also has harboaur accommodation for flotillas of destroyers and submarines which are well placed for threatening any inferior force operating in the Bight.

(c.) Does it hamper our blockade?

(d.) Does it facilitate the movements of the High Seas Fleet?

It has no effect on our blockade except to the extent that it facilitates the safe exit and re-entry of the German Fleet.

II.—1. Would the possession of Heligoland by Britain help the British Fleet?

No.

(a.) What garrison would it require in time of peace to secure it against a coup de main; and with what armaments must it be provided to make it safe and useful in war time?

It would require a garrison of about 3,000 men and guns of varied calibres to make it safe.

(b.) If it is to be treated as a fortress, could we tolerate the German population on its shores; or, indeed any population not directly required for the service of the garrison?

No.

The difficulties of transport and communication in war, and the inevitable losses which these operations would involve, outweigh any probable advantage to us which might result from our possession of it as a fortress.

(d.) Would the possession of the island help us to menace, by submarines or mines, the German Fleet either issuing from the Bight or returning through it?

Yes, but owing to the proximity of the island to the German main bases it would be possible for the enemy to so effectively screen the island by mine-fields that our vessels could only operate from there with difficulty and loss.

(e.) Would an air station on the island prove a valuable source of information with regard to the movements of the High Seas Fleet; and

(f.) Would it constitute a serious menace to German naval bases and the Kiel Canal?

There is not enough room on the island for an efficient air station?

2. If, as is probable, the answers to these questions do not all point in the same direction, how does the balance of advantage and disadvantage lie? In other
words, putting all questions of sentiment on one side, should we gain or lose as a naval Power by possessing Heligoland—

(a.) Ungarrisoned and unfortified?
(b.) As a subsidiary naval station, fortified and garrisoned so as to be secure against attack both at the outbreak of war and during its continuance? It must be noted that in answering this last question the subject of cost must be taken seriously into account.

Our object is to destroy or neutralise the action of the enemy armed vessels. This becomes more difficult if the Germans are in possession of the island, and more easy if we hold it, because it cannot then be used by them as an advanced base. But it must be noted that Heligoland, being an island, can only be held by the Power which controls the water area round it. To hold that area a force of small ships covered by a massed fleet is necessary. Moreover, the massed fleet must be based on a protected harbour, so situated that it can give the cover required. Such a harbour is available for the German Fleet, but not for the British, and therefore until the German main fleet has been destroyed, Heligoland cannot be held by Great Britain when at war with Germany.

It is recommended that Heligoland should pass into our possession at the peace, that the defences should be completely demolished, and that it should be held as a non-fortified post. In this way we shall deny it to the Germans, which is the important point.

Assuming that this proposal is accepted, the policy in any future war will depend on whether the Germans have or have not a fleet at that time. If they have one, the island should not be held, because it would be without fortification and a strong garrison; and if fortified and garrisoned it would, sooner or later, have to be relieved by the fleet, possibly under disadvantageous circumstances. In other words, it would be an encumbrance.

If they have not one, the island should be held; in that case a small garrison might be required to prevent the place being rushed.

October 21, 1916.

C. L.

(8.)

Reply from Vice-Admiral Sir Henry Oliver (Chief of the Admiralty War Staff).

Repplies to Questions.

I.—Yes.
The island helps the German Fleet. It is a point of support. In clear weather the guns range over a circle of 15 miles' radius and afford protection to retreating ships.

(a.) It increases the difficulty of operating in the vicinity with any kind of craft.
(b.) Yes. It has heavy guns, very well protected. It is connected by submarine cable and W/T. The small harbour is used as an advanced base for submarines and small craft.
(c.) and (d.) Yes.

II.—Its possession would not help the British Fleet, which would frequently be required to cover vessels taking munitions and supplies to it, or to assist in its defence.

Fighting in its vicinity would be very favourable to the Germans and unfavourable to us, on account of mines, submarines, and night attack by destroyers.

It is very fortunate that we did not possess it at the beginning of the war, because we would have been forced by outside pressure, prompted by sentiment, to unduly risk the fleet.

(a.) A question whose answer would vary every few years, due to progress in warfare and armaments. Nothing but the best and latest armament would suffice.
(b.) No.
(c.) The freedom of action of the fleet would be greatly hampered. Whenever the island required anything, a major operation on the part of the fleet would be necessary to get it there, involving risk of heavy loss.
(d.) The possession of the island by us would be a trouble to the enemy and some assistance to us. But the quantity of vessels maintained there would not be sufficient
to effect much, and the small harbour would be insecure from bombardment at long range and air attack.

(e.) The island is too small to form an extensive base for aircraft. It would be valuable as a lookout station and for a small number of aircraft.

(f.) Yes, a considerable menace, but it could not stop the fleet getting out. They could pass it by keeping near the coast in shallow water, where it would be hard for submarines to dive, and they could sweep channels daily, under cover of batteries on land, which could keep our vessels at a distance.

I. It will be to our advantage to have nothing to do with the island.

Unfortified, but occupied by us, we should have to abandon it when hostilities were going to begin. Our having it in peace would only give the advantage of preventing the Germans fortifying it in peace. It would cost us a lot for no return, and politically would be used to keep up the desire in Germany to get it back.

We should lose greatly as a naval Power by having a fortified Heligoland to maintain with the fleet. It would be another vulnerable spot to add to the many we have already.

I do not think we could fortify it so that it could be certainly held at such a distance from our coast. It is much too small to make a first-class fortress of, and store munitions and guns and everything necessary for a protracted period of hostilities. It is so close to German bases that reducing it or blowing it off the map would be an engineering proposition which could be solved with enough time, money, and previous preparation.

Guns on land are now effective up to about 20 miles' range. Twenty-nine miles' range would be necessary in order to bombard it from the shore, and in the next ten years guns will probably be capable of such a distance, or would be made for this special purpose. Numbers of craft of the monitor type, but heavily armoured, could be made.

If Heligoland were moored 29 miles off the land at the Thames mouth we should find a way to take it; we cannot take it now because it is so far off our bases, and we cannot keep ships continually in its vicinity.

H. F. OLIVER.

October 4, 1916.

Reply from Commodore Tyrwhitt (Commodore (T.).)

Answers to Questions on Heligoland.

I.—Yes.

The artificial harbour of Heligoland is an excellent base for destroyers and submarines, from which these craft are able to emerge in any weather, regardless of fog—the latter being a serious drawback to their river harbours.

(a.)—1 and 2. Yes, but somewhat nullified since the Bight was mined. 3. No.

(b.) The heavy guns mounted on Heligoland are dependent on visibility, and for this reason are not considered to be of great value.

Heligoland provides an important observation post in clear weather for submarines, and the harbour already mentioned in I, materially aids the work of destroyers and submarines.

(c.) Not in the least.

(d.) Not materially, although it provides shelter and a somewhat exposed anchorage for the High Seas Fleet, and gives two exits.

II.—Yes, but I do not believe it could be held.

(a.) No garrison could make it secure in peace against a coup de main, nor could any armament make it safe or of any use to us in war time.

It is merely a matter of time before Heligoland will be within gun range of Wangeroog. The distance is 44,000 yards, and I understand that this range is already practical.

(b.) No, certainly not.

(c.) It would be impossible to provide reliefs and munitions in war time without
involving grave risks to our warships and transports, and incidentally would hamper rather than aid our naval forces.

II.—

(d.) Yes, if my (c.) is incorrect.

(e.) Ditto.

(f.) Ditto.

2. Heligoland would be made untenable from the guns of Wangeroog, besides being the constant target of innumerable aircraft by day and by night. We should lose prestige by being unable to hold it.

(a.) It would be to our advantage to insist on Heligoland being ungarrisoned, unfortified, and unoccupied.

(b.) I do not believe this is possible, and strongly advocate that one of the conditions of peace is that Heligoland is reduced to dust. All fortifications, air stations, houses and buildings of any sort or description, to be blown up, and the harbour to be filled up with the debris. The island to be considered a "No Man's Land," and not to be inhabited, and no German ships to be allowed within 10 miles of what is left.

October 7, 1916.

R. Y. TYRWHITT.

Reply from Commodore S. S. Hall (Commodore of Submarines).

Dear Mr. Balfour,

I attach replies to the printed questions you sent me. Though not strictly relevant to the subject I would, from the submarine point of view, like to take this opportunity of asking whether, when peace conditions are being considered, the abolition of submarines cannot be made the basis of our proposals.

I am not sure if it is thoroughly realised what a great field there is for development in this type of vessel; the scope for ingenuity in design is almost unlimited, and it is possible to construct a navy of practically all classes of fighting ships, with the ability to submerge added to their existing qualities.

I feel convinced that it is Germany's only naval means of neutralising the inferiority of her geographical position, that she now realises this, and that she will inevitably equip a submarine navy as soon as she can.

The stimulus of war has not provided any real antidote; it seems impossible for a vessel that only operates in one element to triumph in the end over one that has her choice of two.

Such success as has been attained has been due to the war coming before Germany realised what submarines could do for her and at a time when they were in an early stage of development.

Every advance or enlargement of submarine activity encroaches upon our position, and the matter appears to me to be so vital that it is suggested the war would have been fought if abolition of submarines could result from it.

It is believed that Germany has on one occasion agreed to abolition, and that France was the cause of the failure to come to an international agreement to this end.

No doubt records as to this are available.

Surely neutrals would support us, and very strong argument is available to assist. It could be claimed that the war has proved that submarines merely lead to destruction of life and property, much loss to neutrals, and the inevitable breaking of agreements without any decisive results on the armed forces of the enemy; that it is in no sense conducive to progress in any peaceful requirement either as a means of rapid or safe transport or as an aid to commerce in any form.

If total abolition is utopian, guarantees for a rigid adherence to "visit and search" are the next best; this will rule out the small, cheap, "sink at sight" submarine.

I owe apology for the length of this digression, but feel strongly that it is now or never. It has been more on my mind after a four-day cruise in "K. 3" that it is vital to abolish or restrict the commerce destroying capabilities of submarines.

Yours sincerely,

S. S. HALL.
I. Does the possession of Heligoland by Germany help the German Fleet?

Yes, see (b) of this answer.

(a.) Does it materially increase our difficulties in carrying out hostile operations in the Bight, either by:

1. Surface craft.
2. Submarines.
3. Aircraft.

Not materially. Though the removal of Heligoland armament and observation resources would make hostile operations in the Bight easier for surface craft, submarines, or aircraft, such removal would only get over one of the smallest difficulties, and would not turn the scale in favour of any operation which would otherwise be impossible.

(b.) If so, is this result due to the fact that heavy guns are mounted upon the island; or that it provides an important post of observation connected both with the land and sea by wireless; or that its harbour materially aids the work of German submarines, mine-layers, and destroyers?

German possession of Heligoland helps the German Fleet in that the island forms a valuable observation outpost, and point d'appui for her patrols, not so much on account of the heavy guns as on account of the harbour and the protection of the apex of the Heligoland Bight. As the island with its shoals covers 5 miles, it is easier to maintain the mine-fields and patrols, running roughly east and south from the island to the mainland, with this island in the centre. Neither the harbour nor the island materially aid the work of German submarines, except that the island being 270 feet high is a valuable navigational aid in the Bight, where the mainland is low-lying, the weather generally thick, and the water off the mainland is shoal to long distances from the shore.

(c.) Does it hamper our blockade?

No. Its possession by Germany must surely make for the efficiency of the German anti-submarine craft in the Bight; and so adversely affects our submarines, but the net result is only to push our submarines a little further out and this cannot be said to affect our blockade.

(d.) Does it facilitate the movements of the High Seas Fleet?

Yes; to a small extent as an observation point and as an advanced support during a retreat; it facilitates the movements of the High Seas Fleet, particularly in the tactics they have adopted in the present war.

As in (b), it makes the protection of the apex of the Bight triangle an easier matter, and so affords them some sea room for exercises, &c., inside their mine-fields.

II.—Would the possession of Heligoland by Britain help the British Fleet?

No; it is considered that its possession by us would be the source of a constant and heavy anxiety, expense, and loss, with no gain in the slightest degree commensurate with these disadvantages.

(a.) What garrison would it require in time of peace to secure it against a coup de main; and with what armaments must it be provided to make it safe and useful in time of war?

This is not answered in view of conclusions arrived at.

(b.) If it is to be treated as a fortress, could we tolerate the German population on its shores, or, indeed, any population not directly required for the service of the garrison?

No.

(c.) How far would the necessity of providing reliefs to the garrison, and of supplying food and munitions, hamper us during hostilities?

Would it interfere with our naval freedom of action?

Would it involve important risks either to our warships or our transports?

Supposing that the island remained tenable in spite of hostile bombardment from heavy guns and aircraft, a very large mine-sweeping and anti-submarine force would be necessary to keep the approaches clear, which would have to be based on the island in addition to the garrison. The question at once arises, for what purpose is this enormous dispersion of force with a line of communication of 300 miles? The only purpose that
would justify it would be that of providing a base for large ships, but the place is not
suitable for these; the utmost that could be accomplished would be a precarious hold
for submarines and small craft, and the effort required—out of all proportion to any
result to be hoped for—would be so great as to interfere with our naval freedom and
involve important risks to all ships using the island as a base.

(d.) Would the possession of the island help us to menace, by submarines or mines, the
German Fleet either issuing from the Bight or returning through it?

(e.) Would an air station on the island prove a valuable source of information with
regard to the movements of the High Seas Fleet?

(f.) Would it constitute a serious menace to German naval bases and the Kiel Canal?
The answer to these three questions is yes, if other considerations are ignored; but the drain on our naval resources which the holding of the island would entail
would be out of all proportion to these three advantages.

(2.) If, as is probable, the answers to these questions do not all point in the same
direction, how does the balance lie?

Should we gain or lose as a Naval Power by possessing Heligoland—

(a.) Ungarrisoned and unfortified?

(b.) As a subsidiary naval station and garrisoned so as to secure against attack both at
outbreak of war and during its continuance?

Apart from sentiment, the conclusion is that the possession of Heligoland by us
would amount to hanging a weight round our necks which in the end would strangle
us, it would inevitably end in having to cut the rope, and this I believe to be the case
to-day; feeling certain as I do that Germany after this war will equip a large
submarine navy, the possibility in the future of being able to make any use of or even
hold Heligoland is hopeless.

S. S. HALL.

The munition and industrial requirements of alcohol are now about 3,000,000 gallons of proof spirit per month.

This alcohol can be made by using either grain, molasses, West Indian spirit, or potable spirit. The last named is in this country; the other three have to be imported.

At present grain to the amount of 23,635 tons per month is used, which produces 2,622,800 gallons of spirit and some 2,800 tons of yeast. This latter approximately represents the total amount now used by bakers.

Some grain must still be used to produce yeast, but it is probable that the bakers could, if required, use less yeast, and so effect a saving in grain.

The Food (War) Committee of the Royal Society are of opinion that the consumption of distillers' yeast could, without great difficulty or hardship, be reduced to 50 per cent.

The Food Controller stated recently that the information then available seemed to indicate that about 50 per cent would prove ample, and that possibly this could be still further cut down.

Sir Frederic Nathan, on the other hand, does not believe a reduction is possible. If British brewers' yeast or imported American yeast or baking powder were used for baking, a further economy might be made, or these substitutes could be used to supplement the reduced amount of distillers' yeast and to meet possible contingencies. The Food Controller is investigating the matter further.

The Royal Commission on Wheat Supplies are also looking into the matter. The Vice-Chairman has written as follows:—

"These investigations (i.e., into the possible economy in distillers' yeast) will necessarily take several weeks, but the necessity for conserving grain supplies is so pressing and obvious that the Commission have no hesitation in urging that concurrently with the investigations steps should be taken without delay to commence the conversion of potable spirit in bond to industrial alcohol; the spirit which has been most recently distilled would be converted in preference to the more mature, and the loss of interest, &c., would be correspondingly reduced. The Commission are aware that the use of matured spirit for munition or industrial purposes must necessarily involve financial loss. They urge, however, that this financial difficulty is on a different plane from the difficulty of transport or the necessity for maintaining adequate supply of cereal food in this country. They suggest that if a choice is to be made between going short of essential food or sacrificing some supplies of matured spirit, there can be no question as to the answer."

If the consumption of yeast by bakers were halved, a monthly saving of 11,800 tons of grain would be effected. The spirit made by using grain would still amount to about 1,300,000 gallons.

This leaves a balance of 1,700,000 gallons per month to be made from some other raw material. If molasses were used, 15,400 tons would have to be imported. If West Indian spirits were used the imports would be 7,000 tons. The molasses would be brought in tank steamers, which are suitable for petrol, lubricating oil, &c. The spirit would be conveyed in casks, and would have to be redistilled in this country.
The above tonnage could, however, be saved if the munition or industrial alcohol were obtained by redistilling potable spirit. This can be done, but Sir Frederic Nathan rightly points out that the consequences would be serious. They would be as follows:—

1. Damage to an important national industry.
2. Political agitation, particularly in Ireland.
3. Panic and financial crisis (banks often make advances to merchants by discounting bills or giving loans on the security of stocks).

On this question of price the Ministry of Munitions have powers to acquire goods and pay on the following basis:—

(a.) If the goods are acquired from the grower or producer thereof, to the cost of production and to the rate of profit usually earned by him in respect of similar goods before the war, and to whether any such rate of profit was unreasonable or excessive, and to any other circumstances of the case.

(b.) If the goods are acquired from any person other than the grower or producer thereof, to the price paid by such person for the goods and to whether such price was unreasonable or excessive, and to the rate of profit usually earned in respect of the sale of similar goods before the war, and to whether such rate of profit was unreasonable or excessive, and to any other circumstances of the case; so, however, that if the person from whom the goods are acquired himself acquired the goods otherwise and in the usual course of his business, no allowance, or an allowance at a reduced rate, on account of profit shall be made.

Although the cost of producing the whisky before the war was only 3s. per gallon, there have been considerable sales at varying and rising prices. These prices, however, are probably lower than the latest quoted market price of 20s., which may represent comparatively small transactions.

The Government should protect themselves against further increase in prices by either purchasing the stocks or by fixing prices at which the whisky of different ages, &c., could be taken over as required.

The Ministry of Shipping have been consulted. Sir Joseph Maclay and the Shipping Control Committee state that, in view of the great saving of tonnage that would result if the spirit in stock in this country could be redistilled in connection with the manufacture of explosives, they strongly urge that the matter receive the favourable consideration of His Majesty's Government.

W. ASTOR.

April 6, 1917.
STATE PURCHASE OF THE LIQUOR TRAFFIC.

MEMORANDUM BY THE HON. WALDORF ASTOR, M.P.

A War Measure.

STATE purchase is needed for the more successful prosecution of the war, to economise man-power, shipping, land transport, and to get the maximum of efficiency.

As regards the beer trade, the recent Home Office conferences show that no real economy of man-power, transport, and fuel can be effected as long as it remains in private hands. Purchase or Prohibition alone will give this. Nationalization would enable very appreciable economies to be made, and would not be as unremunerative as Prohibition. Even if it were possible, voluntary amalgamation would be dangerous, as involving the creation of a powerful Trust and Monopoly in private ownership.

Shipping.

There is a shortage of spirits for munitions. Unless potable spirit in bond is used (see separate memorandum attached), either grain, molasses, or West Indian spirit must be imported. Both the Wheat Commission and the Shipping Controller urge that this shipping should be saved by redistilling the raw whisky in this country.

Railways, &c.

Lord Curzon's Committee on the Restriction of Imports stated that:

"A great waste of transport power is caused by the carriage of beer on the railways. Barrels are bulky, and different brewers will not use each other's barrels, so that each barrel which is sent out from the brewery full makes a return journey as an empty. Beer is often sent to distant places; instances have been cited of the supply of beer from Scotland to places in the south-west of England. This contributed to the congestion on the railways, and so reacts upon imports, since our ability to import depends largely on the number of voyages ships are able to complete during the year, and therefore on the efficiency of the ports and of the railways behind them. Moreover, if the railways were free from congestion, the use of home materials in place of imported materials (such as timber) would be facilitated, with double benefit from the point of view of tonnage and from exchange."

The 10,000,000 standard barrels now allowed would produce about 13,750 bulk barrels if the gravity were reduced to 1,010 (Carlisle strength is 1,038). As about 15 per cent. of the beer is transported by rail, this means 1,950,000 barrels, or 390,000 tons or 108,333 railway truck-loads. Beers must continue to be sent over the country regardless of the location of breweries so long as trade connections and private interests have to be maintained. State management in Carlisle has relieved the railway of 1,100 tons per annum.

About half the beer not sent by rail is delivered by mechanical and one-half by horse transport. The same streets and roads are traversed by vehicles belonging to different firms who, in order to supply their own tied houses and customers, must pass by the houses of customers of their trade competitors. A reorganisation would enable one cart or lorry on its round to cover the whole of the customers in one area. Such an economy of transport and of labour would give a corresponding saving either in fuel or in horses (as well as the oats, hay, &c. they now consume).
Man-power: Redundant Public-houses and Breweries.

There are some 100,000 licensed houses in Great Britain (or 130,000 in the United Kingdom) with an average staff of four to five persons (including the wife). From two to four persons might be released for every public-house closed. Lord d’Abernon estimates (G.T.-297) that at least 30,000 houses could be closed almost at once.

The average brewery does not work up to more than two-thirds of its capacity even in normal times, and much concentration of business could be effected.

With national management it is estimated that the business of the thirteen breweries which at present exist in Birmingham could be done by four, with a saving of some 1,000 to 1,200 employes. Again, it is estimated that in Liverpool ten small breweries could be closed, releasing 50 per cent. of their employes, the balance being required by the remaining three firms to meet their increased trade. Such a centralisation would liberate 50 carts, or 25 motor lorries, 100 delivery men, and railway rolling-stock for about 55,000 tons, as well as the truck or possibly canal boat space required for the 275,000 barrels, which, when empty, now have to be returned to Warrington.

The Board of Trade estimate that during the period October to December 1916 202,800 males were employed in malting, brewing, and in public-houses, hotels, &c., of whom 49,500 were of military age. A large number, coupled with a big percentage of the 147,700 women employed in these trades, might be released to replace younger and fitter men and women in other businesses.

Lord D’Abernon estimates (G.T.-297) that over 60,000 men and the same number of women could be liberated.

If there is ever to be a drastic closing of public-houses and breweries, the present moment is favourable. The displaced men and women could, in most cases, readily find employment. After the war the labour market may be flooded and their prospects would be precarious.

Fuel.

By closing the unnecessary and small redundant breweries a real economy of coal and coke could be effected, as a large brewery consumes 20 to 30 lb. less coal or coke per barrel than a small one.

Board of Control.

The Board of Control (Liquor Traffic), appointed to increase national efficiency, recommended in December 1916 that the State should purchase the whole of the interests connected with the Drink Trade.

Subsequently the Board represented to the Cabinet that, if the Food Controller’s proposals were carried out, State purchase should be introduced as soon as possible. They explained that this conclusion had been reached because purchase alone would (a) provide the best machinery for controlling spirits, (b) recoup most effectively the State for any loss in Excise revenue, (c) cause the decreased brewing material to produce the maximum volume of beer by reducing gravities to a greater extent than could be done by the Trade under private control, (d) release far more men for essential trades, (e) provide the greatest economy for transport, and (f) distribute the beer fairly and equally.

Demobilisation and Reaction.

Unless the future of the drink traffic is now settled, all concerned in that Trade must keep up during the war a vigorous campaign, involving an expenditure of cash, energy, and labour, in order to maintain their post-war prospects.

The risk of reaction after the privations of war is considerable. Already the Trade are preparing a campaign to sweep away all restriction just at a period when their retention may be essential. A Trade paper states that “every parliamentary candidate will be invited to state his views, and the Trade will support, entirely regardless of their political complexion, those pledged to remove the present temporary restrictions.”

Spirits.

The war-time prohibition of spirits, which is strongly advocated in Scotland on the ground of efficiency, would be facilitated by purchase.
Finance.

The Liquor Control Board have had several estimates submitted to them, which range from 240,000,000 to 370,000,000. The Board pointed out to the Cabinet that suppression of licences, concentration of businesses, the reduction and economical use of land transport would result in a large saving of working expenses; and that, in their opinion, no apprehension need be felt as to the effect of the proposed reform on the annual revenue of the State.

Although the Treasury would be committed to finding the capital (Government Stock) after the war (say, any time up to three years after the declaration of peace), practically no cash need be found now, as far as the beer trade is concerned.

During the war breweries might be pooled and run by a Trade Committee under Government control and direction, all breweries, whether closed or not, receiving a pro rata share of the total pooled profits earned by the breweries remaining open. (It is estimated by some brewers that owing to the decreased cost of production due to amalgamation and to present high wages and prices of beer the profit even on the 10,000,000 barrels would almost equal the pre-war profit made by the Trade). The Trade could not find the whole of the compensation for dispossessed licences, a Treasury contribution would be needed, but the amount involved is not great.

Should the submarine campaign compel a further considerable reduction on the 10,000,000 barrels, or even total prohibition, the above scheme would have to be altered. The Trade might, under these altered conditions, be given a yearly advance out of the capital due after the war.

W. ASTOR.
SECRET
G. 145.

EFFECT OF WITHDRAWAL FROM THE WAR FROM NAVAL ASPECT.

Memorandum by the Admiralty War Staff.

(Note.—In the following remarks it is assumed that the countries referred to become neutral and not hostile.)

I.—Italy.

In this case the Austrians would have command of the Adriatic, but the French first fleet at Corfu should be capable of preventing them from undertaking any operations outside that area.

The Austrian fleet of thirteen battleships (including three 2nd class) carry 60—12-inch and 53—9·4-inch guns in their primary armament.

The French first and second squadrons of twelve Dreadnoughts carry 30—13·4-inch, 68—12-inch, and 60—9·4-inch, and are therefore greatly superior in gun power if not in numbers. Their third squadron, consisting of five Patries, is stationed at Salonika while the blockade of Greece continues. When that is raised two of these are to join the “Lord Nelson” and “Agamemnon” in the Aegean. If the remainder rejoin the first fleet, the French would then have superiority in numbers. It would not therefore be necessary to send more capital ships to the Mediterranean, though the French might perhaps ask for them; some of the King Edward class would be available. We should still have to maintain the Otranto barrage, which would be little affected. The base would have to be shifted to Corfu, and consequently a few more A.P. vessels might be required. The Italians now do little or nothing to support the barrage, so that conditions would be much as they are now, and it might even be an advantage to have it entirely in our own hands. The monitors and submarines now at Venice would become available for its support.

Outside the Adriatic, patrol vessels would be required for the two zones for which Italy is now responsible, but by redistribution of the existing French and British patrols this could probably be done without much increase in the numbers.

Outside the Mediterranean, the withdrawal of Italy would have little or no effect on naval operations. With regard to shipping, we should gain the tonnage now allocated for supplying Italy. We should cease to supply naval ammunition, torpedoes, and stores.

A certain amount of leakage of supplies to Germany would take place through Italy, and additional boarding-vessels would be required at Gibraltar.

II.—Russia.

The principal effect of the withdrawal of Russia would depend on the amount of importance attached to communication with Romanoff and Archangel. With the cessation of imports of munitions in Russia, the Germans would probably stop their submarine campaign in the north unless it was necessary for us to draw much in the way of food supplies and timber from that region. We should not have any bases for auxiliary patrols in those waters, which would probably entail the escort of all vessels with valuable cargoes coming from thence.

The Germans would have complete command of the Baltic, and the British submarines if unable to get out would have to be interned.

The Turkish Fleet, including the German ships and submarines, would be freed from the Black Sea for work in the Mediterranean if they could pass the Dardanelles entrance.

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The large amount of shipping now used for carrying munitions to Russia would be freed for other purposes.

With Russia neutral, Germany would be able to obtain food and other supplies from Russia, and could also utilise Russian manufacturing resources and raw material for munitions, &c.

Horses for transport could be obtained, and Russian labour attracted to Germany to set free men for the Army.

The blockade would, therefore, in a great measure lose its effect, and the Navy consequently be prevented from throwing its full weight into the scale.

Beyond these matters, the naval situation would not be affected.

III.—France.

This would naturally be the most serious case, and, generally speaking, the situation created would be one of very great embarrassment, and would be an exceedingly heavy tax on our resources.

In the North Sea and home waters the effect would not be great, but an increase in the number of auxiliary patrol vessels and destroyers in the Channel and approaches would be required. The extent to which it would be necessary to intercept vessels bound to French ports in the Channel and Bay of Biscay with foodstuffs and contraband destined for Germany would be the main factor, and it might be found necessary to provide squadrons of cruisers and armed merchant cruisers for this purpose. Vessels bound to Mediterranean ports could be dealt with in the Straits of Gibraltar and Suez Canal. Additional boarding steamers would be required at Gibraltar.

Germany would be able to make use of French territorial waters, and her merchant ships would thus be able to pass between Germany and the Straits of Gibraltar, and obtain food and supplies from France and Spain.

In the Mediterranean, unless we are prepared to relinquish the command to Austria, which, in view of our interests in Egypt and control of the trade routes, seems out of the question, it would be necessary to provide a force to neutralise the Austrian Fleet.

The four Austrian Dreadnoughts, and the fast Radetsky class, would be too powerful to be contained by any pre-Dreadnought squadron we could supply, and we should have to detach six Dreadnoughts from the Grand Fleet, with a light cruiser squadron and two modern destroyer flotillas, besides increasing the submarine force in the Mediterranean.

We should lose the assistance the French give us in the West Indies and Atlantic.

Germany would get supplies from France, which would greatly reduce the effect of our blockade, as in the case of Russia.

On the other hand, we should be freed from the heavy tax of maintaining immense armies overseas, and could devote all our tonnage to naval purposes and the supply of necessaries.

IV.—Japan.

The effect of Japan’s withdrawal would not be very serious. They are at present assisting us with cruisers in the Malay Archipelago and Indian Ocean, and with destroyers in the Mediterranean. They are of little assistance, however, in the examination of merchant vessels for enemy subjects, and seditious literature for India, and the work now falls on our own vessels. They are responsible for operations in the China Seas, but the only likely ones now are against raiders. Four or five more cruisers on the China Station would be necessary if Japan could be thoroughly trusted. If not, it would be necessary to have a powerful squadron on this station.

Admiralty War Staff, April 3, 1917.
POSITION OF MERCHANT SHIPBUILDING.

MEMORANDUM BY THE MINISTRY OF SHIPPING.

(A.) Men employed in Shipyards and Marine Engine Shops (exclusive of Repair Work)—

- On Admiralty work, approximately 110,000
- On merchant work 70,000

(B.) Steel Supply.—The amount of steel now available for merchant work (including repair work) is 13,000 tons per week.

I. The present rate of merchant output per annum is 1,000,000 tons gross.

(As against 550,000 tons gross or 825,000 tons deadweight produced in 1916.)

II. With—

(i) The supply of steel increased to 16,000 tons weekly; and
(ii) The present number of workmen—

The rate of merchant output per annum would be 1,300,000 tons gross.

(As against 2,000,000 tons deadweight carrying capacity.)

III. With—

(i) The supply of steel increased to 20,000 tons weekly; and
(ii) 17,500 additional workmen experienced in marine work, or 22,000 additional workmen not experienced in marine work—

The rate of merchant output per annum would be 1,600,000 tons gross.

(As against 2,500,000 tons deadweight carrying capacity.)

IV. With—

(i) The supply of steel increased to 22,500 tons weekly; and
(ii) 35,000 additional workmen experienced in marine work, or 44,000 additional workmen not experienced in marine work—

The rate of merchant output per annum would be 1,800,000 tons gross.

(As against 2,800,000 tons deadweight carrying capacity.)

Note.—It is estimated that up to this point—by working overtime and nightshifts and making a few extensions in several existing works which could easily be carried out in a short space of time—the present shipyard and engine shop plant and facilities are sufficient to cope with the increases indicated. Beyond this point greater extensions would be necessary. (See notes to V.)
V. With—

(i.) The supply of steel increased to 32,000 tons weekly; and

(ii.) 95,000 additional workmen experienced in marine work, or

120,000 additional workmen not experienced in marine work.

The rate of merchant output per annum would be approximately ... 3,000,000 tons gross.

(I.e., 4,750,000 tons deadweight carrying capacity.)

Notes to V.

(a.) While existing shipyards, if priority were given for the additional plant that would be required and the extensions that are possible, could cope with the increases indicated, the capacity of marine engine and boiler shops for merchant work would need to be increased by something like 50 per cent.

In view of the urgent necessity for increase of output, a careful review has been made of the possibilities of obtaining assistance from non-marine engineering shops. Some of these might make engines, but they could not install on board ship nor could they complete all the piping and other work which has to be done on board ship and supervised and carried out by expert marine engineers. In any event, in very few cases has it been found that they could give the necessary assistance on boilers. Extensions would undoubtedly require to be made to the existing marine engine shops, and more especially to boiler shops, if the maximum output mentioned above is to be anything like reached.

(b.) The forging difficulty is a serious one. For this last-mentioned output forges would require to supply 44,000 tons instead of 26,000 tons of forgings per annum, or an increase of 70 per cent, over their present supply for merchant work. It is well known that already the forges find great difficulty in meeting the requirements of the Ministry of Munitions, the Admiralty, and the Shipping Controller.

(c.) Very large increases would be required in all sub-contractors' work, such as auxiliary machinery, dynamos, anchors/chains, windlasses, pumps, steering gear, fans, electrical fittings, &c. In this connection considerable assistance could be obtained from sources outside the usual manufacturers.

VI. General Remarks.

1. The foregoing estimates, it will be observed, are expressed in terms of annual output. The number of ships completed during the year ending December 1917 depends entirely on how soon the increased supplies of labour and material can be made available.

2. Whatever amount of steel it is decided to allot to merchant shipbuilding, it is of the highest importance that its distribution should be carefully regulated and deliveries made in the proper sequence, so that the fullest use may be made of the labour available. Ships have been delayed in construction for one or two months, not only through shortage of steel, but for the lack of proper distribution and delivery of the steel that was available.

All the steelworks of the country are at present under the control of the Director of Steel at the Ministry of Munitions.

The quantities to be assigned to Admiralty work and merchant work respectively having been decided upon, it should be left to the Director of Steel to allocate same to the steelworks. The Admiralty should then be responsible for the distribution and delivery of their own, and the Shipping Controller for the distribution and delivery of his. At present distribution is entirely in the hands of the Admiralty. If each Department were responsible for their own distribution much of the present difficulty would disappear.

3. It will be observed that in indicating the additional workmen required a distinction has been drawn between workmen skilled in marine work and workmen not skilled in it. Skilled workmen could be drawn from Admiralty work if the present Admiralty demands could be reduced, or from the army.

There are large numbers of workmen in allied trades, e.g., bridge work, steel constructional work, and large building contracting, who, although they have had no
former experience in shipyards and marine engine shops, could very quickly adapt themselves to the work, being already used to working in steel. Steps would, however, need to be taken to ensure that no objections would be raised by the shipbuilding and marine engineering trades to the best use being made of any labour already in the works or labour that might be imported. This should be done automatically and without the waste of time and delay to output involved in negotiations between workmen’s representatives and the staffs, whose every minute is required for production.

4. Summarising the foregoing remarks, it will be evident that the efforts of shipbuilders and marine engineers depend for their success on the co-operation of the Government. In order to carry out proposals III, IV, and V, it will be necessary for the Government—

(a.) To regulate properly the supply and distribution of steel and forgings.
(b.) To give to merchant shipbuilding a greater proportion of the workmen at present engaged in shipyards and marine engine shops.
(c.) To withdraw from the army and every available source sufficient men to fully man the plants.

April 26, 1917.
MAMMOTH SHIPS.

Memorandum by Lord Curzon.

ON the 25th April I was asked by the War Cabinet inter alia to "decide the question of building 'unsinkable' mammoth ships."

I have had personal interviews with representatives of the Admiralty and the Ministry of Shipping and with Lord Pirrie, and have found that there is a great deal to be said on both sides.

On the one hand, there is a strong feeling against building mammoth ships. This was expressed to me by the members of Sir Joseph Maclay's Committee, and may be summed up briefly as follows:—

1. **Material.**
   The amount of steel (from 16,000 to 18,000 tons) required for the construction of one mammoth ship would be sufficient for eight standard ships.

2. **Time.**
   A mammoth ship takes at least fourteen months in building, a standard ship about four and half months.

3. **Quays and Docks.**
   There are very few ports with accommodation for so big a ship, and only three graving-docks (Liverpool, Southampton, and Belfast).

4. **Disability in Handling Cargo.**
   The same carrying capacity is not obtainable in the mammoth ship as in her equivalent in standard ships, because of delay in loading and discharging the bigger ship. The Shipping Committee estimate that she would take a month to load, and therefore they feel that it would be better to lose a percentage of eight "standards."

5. **Risk from Submarines.**
   The Committee are strongly and unanimously of opinion that the mammoth, as designed, will not turn out to be unsinkable. They think that she would be relentlessly pursued and attacked by the enemy, that if hit by torpedo or by mines in either of the engine rooms, and still more in both, she would sink; if hit elsewhere she would have to be towed into harbour, that she would require to be specially convoyed, and that the experiment would prove to be an expensive failure.

   They maintain that the standard ships (of 8,000 tons deadweight each) as compared with larger or smaller vessels offer the maximum division of risk consistent with early delivery.

On the other hand there are the views of the Admiralty and Lord Pirrie, in favour of the large ship.

1. **Risk from Submarines.**
   As I think the Cabinet are aware, the Admiralty view is that the mammoth ship is practically unsinkable.

   Lord Pirrie shares this opinion. He thinks that she could be hit by mines, or by three, or even four torpedoes in either or both engine rooms, without being sunk. She would be saved by her "double skin" construction, and she would have no side lights except on the upper deck.
2. Quays and Docks.

No difficulty is anticipated in the small number of ports that could accommodate the ship—because New York, Boston, Portland, Quebec, and Halifax on the other side of the Atlantic; and Liverpool, Southampton, and Belfast on this side are all that are likely to be required. She could be loaded or unloaded either in the open river or at any quay of sufficient size.

3. Economy in Personnel.

The big ship would offer great economies in officers and crews as compared with eight "standards."

4. Economy in Convoys.

There would also be a saving in convoys which would merely be required in the danger zone. Elsewhere, her speed, which would be far greater than that of the ordinary ship, would be a sufficient protection.

To sum up: To the Admiralty the building of the mammoth ships appears as a necessity; to Lord Pirrie as a legitimate experiment; to the Ministry of Shipping as little short of a freak.

After hearing and weighing all the evidence, I have come to the conclusion that it would be difficult for the Government, in the light of information supplied by their advisers on naval construction, to justify the refusal to proceed with the building of a vessel which they are told is practically unsinkable, and which may, if successful, provide a model that will be of permanent value, not only in the present war, but hereafter.

I therefore recommend that an order be placed with Messrs. Harland and Wolff at Belfast to start at once upon the construction of a mammoth ship, as designed by the Admiralty, using the keel already laid down, but unfinished, of a big merchant ship 800 feet long, referred to in G.T.—539.

For this purpose, 3,000 tons of steel—approximately the amount required for one standard ship—should be allocated during the twelve weeks after June, this being the amount of material needed for the construction of the bottom of the ship. A start should also be made upon building the engines.

I would point out to the War Cabinet that should some event, at present unforeseen, have happened by the end of that time, such as our mastery of the submarine danger or the imminent conclusion of the war, which might induce the Government to abandon the construction of the ship, it would not be too late to withdraw from the venture.

The cost, as estimated by Lord Pirrie, would by then have been approximately—

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,000 tons of steel at 12s. a ton</td>
<td>£38,000</td>
</tr>
<tr>
<td>Cost of taking over present keel and foundation</td>
<td>£10,000</td>
</tr>
<tr>
<td>Engines</td>
<td>£20,000</td>
</tr>
<tr>
<td><strong>Say</strong></td>
<td><strong>£66,000</strong></td>
</tr>
</tbody>
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It would, however, be possible to obtain credit for about 50 per cent. of the steel, say £18,000.

And for the engines (which, being of a commercial and not Admiralty pattern, could be sold and fitted into another ship) £20,000.

**Say** £38,000

Or, in other words, a total net loss of about £30,000.

Or it might even be possible to complete the ship and use her for the Admiralty as an oil carrier.

These considerations of the ultimate disposal of the ship are, however, matters with which the War Cabinet are not immediately concerned.

The next step should be, in my opinion, to place the order promptly, so that the work on the mammoth ship may be started as soon as possible.
It may be asked why, if it is advisable to build one mammoth ship as a form of insurance, is it not also advisable to build several vessels of the same type? The answer is that there is a slip available for a big ship at Belfast, and the keel is already laid down; but more especially because in Ireland, and in Ireland alone, there is, I am informed, both sufficiency of labour and freedom from labour troubles in the shipyards. About 1,000 men would probably be employed upon the construction.

Taking the various factors of Labour, Material, and shipyard facilities into consideration, it appears that Belfast is the place best suited for the building of the Mammoth Ship.

There are other slips in Great Britain on which mammoth ships could be built, but having regard to Labour shortage, I have not recommended their use.

When the first mammoth ship is launched—in about seven months' time from the date of commencement—it will be for the Government to determine whether another similar vessel should be laid down in the slip set free.

2, Whitehall Gardens, S.W.,
April 30, 1917.
SECRET.
G.-148.

MANUFACTURING FOR COMPULSORY RATIONING.

I STATED in the House of Lords on the 25th ultimo, with the concurrence of the Prime Minister, that it had been decided to set up forthwith the necessary machinery for a system of compulsory rations. During the past four months the whole subject has been fully considered by a Committee which I appointed for the purpose. They have collected and fully examined all the available information, including reports from Germany and all other countries which have attempted to limit food consumption by compulsory measures. The whole question has been exhaustively explored, and the general lines of the proposed scheme of administration have been carefully laid down.

I propose that the municipal authorities and district councils in England and Wales, and the County Councils and municipal authorities in Scotland, should be charged with the duty of carrying out the scheme under the general control and supervision of the Ministry of Food. I have conferred with the President of the Local Government Board and the Secretary for Scotland, and we have agreed, subject to the consent of the War Cabinet, to the letters and statement appended to this note, which explains the steps at present proposed. The application of the scheme to Ireland has not yet been decided, but I am conferring with the Chief Secretary and hope to arrange with him in the course of a few days for the necessary adaptation of the arrangements to meet Irish conditions.

A provisional estimate of the cost involved has been made, and it is calculated that the expenditure will amount to about 760,000l. for the first year.

If and when it is decided by the War Cabinet that compulsory rationing is necessary, I propose to make an order prohibiting the sale or distribution of bread, flour, or any other foodstuffs which it is decided to ration, except under such regulations—such presentation of tickets, &c.—as may be prescribed by the order, and to impose upon the specified local authorities the duty of carrying out the scheme.

It is calculated that the necessary organisation can be completed, and forms, tickets, &c., printed and distributed, within two and a half months after the date of the issue of the letter to local authorities.

DEVPONPORT.

Ministry of Food,
May 2, 1917.

1. Letter from the President of the Local Government Board to Lord Mayors, Mayors, and Chairmen of District Councils.

Sir,

As will be seen from the accompanying letter which I have received from the Food Controller, the time has now come when a system for the rationing of food must be initiated in this country. In the view of the Government the local authorities who undertook the work of the National Register and the constitution of the local Tribunals should set up in their areas suitable organisations for the purpose. The nature of the organisations will be apparent from Lord Devonport's letter and from the papers which accompany it.

The initial step is to appoint suitable Food Commissioners, having an intimate knowledge of conditions locally prevailing, and possessing the confidence of the public within their districts, who will make themselves fully acquainted with the proposed scheme and arrange for its application to their areas.

Any system of rationing must involve a great deal of administrative work, and I hope that the leading officials of local authorities, notwithstanding the many other
calls upon their time, will be able to give to the Local Food Commissioners the benefit of their wide experience to ensure the success and smooth working of the arrangements.

In view of the paramount importance of the work to be done, I have no hesitation in asking them to render all assistance in their power, even if this involves delegation of other duties which in normal circumstances are rightly regarded as of primary importance.

Any acknowledgment of this letter and subsequent correspondence on the subject should be sent to the Ministry of Food, Central Rationing Department, Grosvenor House, London, W. 1.

I am, &c.

RHONDDA.

[A similar letter to be written by the Secretary for Scotland].

2. Letter from the Food Controller to the President of the Local Government Board.

Dear Lord Rhondda,

The Government have, as you know, decided that it is necessary to take immediate steps to establish throughout the country a complete organisation which will be available for carrying out when necessary a scheme of compulsory rationing, by tickets, of bread and flour. The organisation will be framed on lines which will enable it to be readily adapted for the rationing of other essential articles of food, and it must of necessity be local in character. The Government propose that the immediate responsibility for carrying out such a system should devolve in the first instance upon local authorities acting in co-operation with, and under the direction of, this Ministry, and I shall be obliged if you will communicate at once with the appropriate local bodies in England and Wales, and secure their assistance for this purpose.

I enclose herewith an outline of the scheme which has been adopted in so far as immediate action is required. You will see that under it the local authorities are required to appoint local Food Commissioners, and to establish local Food Offices. The Ministry of Food should be notified on the enclosed form at the earliest possible date, and in any case not later than the 15th May, of the names, addresses, descriptions, and qualifications of the Food Commissioners whom each Local Council propose to appoint. The appointment of these Commissioners will be subject to approval by this Ministry, and will be for the period during which it may be found necessary to keep in force a system of compulsory rationing.

An examination of the outline of the scheme enclosed will indicate to the local authorities the importance and responsibility of the work to be entrusted to the Food Commissioners, and will afford a guide in the selection of qualified persons. It will be remembered that the responsibilities of the Commissioners may be further increased by the extension of compulsory rationing to other foodstuffs. The Food Commissioners need not necessarily be members of the Council, and local authorities should not hesitate to go outside their own body to secure the most suitable persons to act as Commissioners. They will, I am sure, realise the desirability of including among their number at least one woman.

The Government confidently rely upon the co-operation of the local authorities throughout the country in setting up with the least possible delay the necessary machinery, so as to be fully prepared to put it into force if and when it becomes imperative to do so.

Yours very truly,

DEVONPORT.

[A similar letter to be addressed to the Secretary for Scotland.]
3. Preliminary Note for the Guidance of Local Food Commissioners.

1. Full preparations will be made to bring into force, as from a date to be hereafter communicated, a scheme of compulsory flour and bread rationing. This scheme provides for the issue of bread and flour cards to the civil population and for the regulation of the amounts of flour and bread to be supplied to all catering establishments. Provision will also be made for the control of the supplies of flour issued to bakers and other flour distributors. The scheme is set out in the following paragraphs.

2. The scheme will be administered in accordance with the instructions of the Ministry of Food by Local Food Commissioners (unpaid), who, in Great Britain, will be appointed by the following Local Authorities:

   England and Wales.—In London the City Corporation and Metropolitan Borough Councils; elsewhere the Municipal Borough Councils and Urban and Rural District Councils.

   Scotland.—In counties (excluding Royal, Parliamentary, and police boroughs), the County Council, with power to divide the county into such districts as they may determine. In Royal, Parliamentary, and police boroughs, the Town Council; provided that if the County Council and the Town Council of any borough so agree, the borough may be administered as part of the county.

There will be at least three Local Food Commissioners in each district, and the desirability of including a woman among their number should be borne in mind.

3. The main duties of the Local Food Commissioners in each district will be—

   (a.) To organise the work in their area, to obtain premises for the necessary staff, including an executive officer.

   (b.) To make the provisions of the scheme widely known in their area, to receive applications for bread cards, to form a register of these, to classify individual applications, and to issue bread cards through the post to the public.

   (c.) To make registers of the retailers, caterers, and institutions in their district and to receive returns from them.

   (d.) To fix the supplies of flour and bread allowed to caterers of all classes and by institutions, and to issue vouchers which will authorise them to buy their necessary supplies.

   (e.) To deal with complaints, enquiries, and local difficulties arising in connection with the scheme.

4. The first duty of the Food Commissioners will be to secure suitable offices and a responsible executive officer. It is hoped that suitable offices may, as a rule, be placed at the disposal of the Commissioners by the Local Authority, or otherwise obtained without payment. If this is impossible, offices may be rented. In some of the larger districts sub-offices will prove necessary. But it should be borne in mind that most of the work of the Food Office will be carried out by correspondence, and it will not be essential for members of the public to call at the offices except in cases of difficulty.

   The executive officer will, except in the smaller districts, need to give substantially all of his time to the work, and may be remunerated if necessary. It may, however, be found possible in some cases to obtain a volunteer for the post, or to take advantage of the services of an existing officer of the Local Authority. For much of the work of the Food Office, particularly the temporary work involved in the issue of bread cards, it should be possible to rely on voluntary assistance. It is important, however, that the clerical work should be efficiently performed, and paid assistance may be obtained if necessary. The size of the staff will, of course, vary with the population of the district to be served. It is impossible to make any exact estimate of the numbers that will be required, but for the guidance of the Food Commissioners it may be stated that the staff for a town of 100,000 is expected to be from ten to fifteen, employed regularly, with a large additional staff employed for about three weeks during the actual issue of bread cards. Printed forms, posters, &c.,
will be supplied by the Ministry, but the Food Commissioners will obtain their own stationery. The Commissioners are authorised to incur expenditure on premises, staff, and other necessary purposes up to a total amount not exceeding in the six months from the 1st May to the 1st November 61 per 1,000 bread cards issued. Any expenditure in excess of this can only be incurred with the sanction of the Ministry. It is believed that in practice most Commissioners will find it possible to effect considerable economies in the scale laid down. In particular, it is hoped that voluntary help will be obtained to carry out a large part of the work involved in the scheme.

Engagements of the staff should be subject to one month's notice at most, and the lease of any premises taken should also be terminable at not more than six months' notice.

5. On and after the date arranged, it will be an offence for any person to supply flour or bread retail unless he has in the meantime been registered by the Local Food Commissioners for the district in which his business is situated. On and after the same date no member of the public will be able to obtain flour or bread for domestic consumption except on presentation of a bread card to a retailer. In order to obtain such cards the head of every household must secure a form of application through a post office. He will fill up particulars in regard to himself and his household on the form and then post it in the nearest letter-box for transmission to the Local Food Office. Institutions and caterers' establishments will similarly be debarred from obtaining flour or bread in excess of amounts allowed them by the Local Food Commissioners.

6. Assistance will be given to the Local Food Commissioners by Divisional Food Officers. These will be responsible officials of high standard appointed by the Ministry of Food in twelve centres in England and Wales and in three centres in Scotland. These officers will be responsible generally for supervising and assisting in the administration of the scheme in their divisions.

7. Detailed instructions for their guidance will be forwarded to Local Food Commissioners at an early date, together with copies of all necessary forms, leaflets, &c. It is important that Local Food Commissioners should at once make preliminary arrangements for distributing forms and leaflets for the guidance of the public as soon as received and for giving all necessary publicity to the scheme in their district. No doubt it will be possible to enlist the help of teachers, social workers, and others for this purpose.

Ministry of Food, May 1, 1917.

R. HENRY REW, Secretary.
MACHINERY FOR DISTRIBUTION AND RATIONING OF FOOD.

MEMORANDUM BY FOOD CONTROLLER FOR SUBMISSION TO WAR CABINET.

(Previous Paper No. G-148)

THE proposals contained in my memorandum of the 2nd May (G-148) for setting up the machinery of compulsory rationing have been the subject of further consideration at meetings attended by Lord Milner, Mr. Arthur Henderson, Mr. Cecil Harmsworth, Professor Adams, and representatives of the Ministry of Food.

At the time when these proposals were formulated, a full examination of the problem of compulsory rationing of sugar had been made by a Committee under the chairmanship of Mr. Alfred Butt, containing as its other members Sir Horace Monro, K.C.B., Mr. Stephen Walsh, M.P., Mr. Chantry, Mr. Cullen, Mr. H. J. May, Mr. Peters, Mrs. Pember Reeves, and Captain Tallents. This Committee recommended the adoption of the scheme of rationing by tickets, which was briefly indicated in the "Preliminary note for the guidance of Food Commissioners" set out in the memorandum of the 2nd May. The recommendations of this Committee were reviewed by another Committee under the chairmanship of Mr. Kennedy Jones, and including Sir Horace Monro, Mr. Butt, Mr. Beveridge, Captain Tallents, and Mrs. Pember Reeves, which substantially endorsed them, and added certain proposals in regard to the rationing of bread and flour.

Since the report of the last-named Committee was received, the situation has altered, in so far as there is now no reason to anticipate a shortage of supplies sufficient to necessitate the rationing of breadstuffs before the harvest.

I am of opinion, nevertheless, that it is necessary to take immediate practical steps both to correct the present unequal distribution of sugar and to set up the local machinery which would be essential in case compulsory rationing of the essential foodstuffs was ever required, but which, quite apart from that necessity, would provide a solid and much-needed foundation for controlling their distribution. I submit, accordingly, for approval, the revised proposals contained in Part I of the attached memorandum.

In framing these proposals special attention has been given to the necessity of avoiding any action which might interfere with the voluntary campaign upon which it is proposed to rely for any reduction of consumption before the harvest. I have also had regard to the importance of taking precautions against local food shortages, and of decentralising so far as possible the executive work of the Ministry of Food.

If for any reason the proposals which I now put forward in Part I are not adopted, I recommend the course of action suggested in Part II.

PART I

Appointment of Local Food Committees.

The local authority for each district should be asked to appoint immediately a Food Committee with the following duties:

1. To set up a local Food Office and secure the services of an executive officer.
2. To put into force a scheme for the redistribution of the sugar supplies, and in doing so to obtain a return as to the population of the district.
3. To register the retailers of bread and flour (and of any other articles that may be specified) in the district, and to obtain from them returns as to consumption.

4. To assist the Ministry of Food in the enforcement of Orders.

5. To undertake such other work as may be entrusted to them by the Food Controller.

The local authorities for this purpose would be as follows:

England and Wales: In London the City Corporation and Metropolitan Borough Councils; elsewhere the Municipal Borough Councils and Urban and Rural District Councils.

Scotland: In counties (excluding Royal, Parliamentary, and police burghs) the County Council, with power to divide the county into such districts as they may determine. In Royal, Parliamentary, and police burghs, the Town Council: provided that if the County Council and the Town Council of any burgh so agree, the burgh may be administered as part of the county.

The form in which the scheme should be applied to Ireland is under consideration by the Chief Secretary.

For the purpose of supervising and assisting the work of the local Food Committees, Divisional Food Officers would need to be appointed by the Ministry of Food.

The draft letters and statements for issue to local authorities contained in the Memorandum of the 2nd May, would be altered to suit the proposals now submitted.

The following paragraphs deal more fully with the principal points in the proposals:

**Scheme for Sugar Distribution.**

Two alternative schemes for a more equitable distribution of sugar supplies are submitted for the consideration of the War Cabinet. The first involves the use of individual sugar tickets, and gives much greater certainty of securing to each individual his proper supplies.

**Scheme (A).**—Every householder will be required to fill up an application form (obtainable from the Post Office) giving the name, age, sex, and occupation of each member of the household and to forward it to the Local Food Office.

The Food Office will in return send to the householder a card for each individual in the household, with detachable tickets. The card will have to be produced whenever a purchase of sugar is made, and a corresponding ticket or tickets will be detached by the retailer. The retailer will send the tickets collected by him to the Food Office and will receive in exchange a voucher enabling him to purchase the necessary supplies of sugar to meet his normal demands and maintain a small reserve for fluctuations. The grocer will thus be kept supplied on the basis of his actual sales and each individual will get his fair share.

It will not be necessary for a householder to be tied to one particular retailer. On the other hand, it will be illegal to buy or sell sugar without the presentation of a card and the detaching of a ticket.

**Scheme (B).**—This is the same as Scheme (A) up to the point of the sending in of an application form to the Food Office. The Food Office, in place of returning to the householders individual cards with detachable tickets, will send a certificate showing the number of rations of sugar to which the household is entitled.

The householder will lodge the certificate with the retailer through whom he wishes to get his supplies and will thus become a "registered customer." The retailer will send to the Food Office a return of the certificates lodged with him and will receive in exchange a voucher enabling him to purchase the necessary supplies of sugar. This will bring the distribution of sugar to each district in accord with the needs of its ascertained population.

The retailer will be required to sell sugar as nearly as possible in accordance with the certificates lodged with him. Though it will not be absolutely illegal for the retailer to sell to other than registered customers, or, conversely, for a householder to buy sugar wherever he can get it, the retailer must give preference to his registered customers over others. This should enable each individual to get approximately his proper supplies.
It will be necessary under either scheme to make special arrangements for fixing the supplies to hotels, manufacturers, and others. It will also be necessary to register all the retailers of sugar and to obtain from them returns as to sales, stocks, and so forth.

**Returns of Population and Consumption.**

Under either of the foregoing schemes, the local Food Committee from the applications received, will be able to obtain a full return of the population of the district, classified by age, sex, and occupation.

At the same time they will ascertain the actual consumption of bread and flour in the district by requiring all retailers to register at the local Food Office and to furnish returns as to supplies and sales. Similar returns could be obtained for other articles as required.

These two sets of returns will enable the proper quota of supplies of bread and flour to each district to be determined, having regard to the population and its needs. If and when it becomes necessary to bring the distribution of bread and flour to the localities under control, this can be done:

(a.) By requiring wholesalers and others to supply retailers, only (or preferentially) on warrants issued by the Food Committee;
(b.) By authorising the Food Committee of each district to issue warrants to retailers up to the quota of supplies fixed for the district as a whole.

By this means distribution would be kept in the ordinary channels of trade, but would be controlled in such a way as to secure to each district its fair share of supplies.

It is not, indeed, proposed that the distribution of any article, except sugar (which will be regulated by one of the schemes described above), should now be brought under control. Immediate action in regard to bread and flour will be limited to obtaining returns of consumption. The returns of population, however, and of consumption of bread and flour can be obtained with relatively little trouble and should be obtained at once. They form the indispensable basis of any systematic distribution of bread and flour to districts and within each district. Unless this preliminary survey has been made, it will be impossible to deal promptly with any emergency.

Similarly a census of consumption of any other article in each district could be made, and its distribution could thereupon be regulated as in the case of flour.

A mere census of the population could, of course, be made under direct compulsory powers, apart from the sugar distribution scheme. This, however, would probably be more costly (since under the plan proposed above registration will be enforced automatically by desire to obtain sugar) and would of course do nothing to improve the distribution of sugar.

The following is an illustration of the power that would exist to deal with emergencies if these proposals are adopted. If it became necessary to reduce suddenly the supplies of bread and flour or of any other article whose consumption had been ascertained, the reduction could be carried out evenly as between different districts, by altering the district quotas. The Food Committee of each district could in turn distribute the reduction evenly among the different retailers, and the retailers could be required to keep a card index or register of their regular customers and make a proportionate reduction in the supplies to each.

**Other Duties of Food Committees.**

Certain duties in connection with the enforcement of Orders have already been imposed on local authorities. These duties would presumably be exercised in future through the Food Committees. In any case the appointment of the Committees would clearly lead to much greater attention being given locally to the question of enforcement.

**Conclusion.**

It may be claimed for the foregoing proposals:

1. That they will substantially correct the present unequal distribution of sugar.
2. That they will furnish a complete census of the population, and so provide the...

[639]
basis for a proper distribution of any other article to the various localities, making it possible to prevent the repetition in other fields of the difficulties which have arisen in regard to sugar.

3. That they will prepare the way for compulsory rationing of all or any of the essential foodstuffs, should that become necessary, without in any way committing the Government to the introduction of such a scheme or interfering with present voluntary efforts.

4. That they will materially assist enforcement of Orders.

5. That they will set up local Food Committees, with duties sufficiently definite and responsible to attract and retain representatives of standing, who will then be available to take on fresh duties as required.

It is very difficult to frame any precise estimate of the administrative expenditure involved in the foregoing proposals, but it should not exceed 275,000/. if Scheme (A) is adopted for sugar distribution, or 200,000/. if Scheme (B) is adopted. Material savings on these amounts might be made if sufficient voluntary assistance was forthcoming. The staff required is estimated at 5,000 regularly and 20,000 for temporary work during the actual receipt of applications and issue of cards under Scheme (A). The corresponding figures, if Scheme (B) was adopted, are 3,000 and 15,000. These figures are for the United Kingdom as a whole. They are, in each case, exclusive of the actual membership of the Food Committees.

The estimated expenditure would be incurred in the first four months. Thereafter the expenditure would naturally depend entirely upon what work was imposed on the Food Committees.

PART II.

It is possible that objection may be raised to the foregoing proposals, on two grounds:

1. That it is undesirable to adopt in this country, at the present time, anything which could be described as compulsory rationing, since this would give undue encouragement to the enemy.

2. That the setting up of official local machinery for dealing with food questions will interfere with the success of the voluntary campaign for food economy.

The first point is one upon which it is naturally not easy for me to express an opinion. It may, however, be pointed out that the proposals set out above (in particular Scheme (B)) do not really amount to compulsory rationing, and avoid even the appearance of rationing as completely as is possible without sacrificing the object of securing a better distribution of sugar. Moreover, they deal not with an essential foodstuff, but with a subsidiary article whose grave shortage in this country has long been as well known to the enemy as well as to ourselves.

As regards the second point, it may be admitted that there would be risk of interference with the voluntary campaign if Food Committees of the local authorities were established for general purposes throughout the country, or were established without their being given sufficient specific duties.

The actual proposals which I have made, however, impose upon the local Food Committees quite definite duties, which would occupy the whole of their energy for some considerable time. They do not therefore, in my opinion, involve this danger.

Assuming, however, that for either or both of the above reasons, or for any other reason, the proposals made above are not approved by the War Cabinet, I am of opinion that it would be premature and unsafe to set up any comprehensive local organisation for dealing with food, or to encourage local authorities to appoint Food Committees. It would be harmful to have this organisation established before there is definite work for it to do. On this assumption I would suggest limiting present action to the following:

1. A census of consumption of bread and flour, sugar, and possibly two or three other articles to be taken by the Ministry of Food, using the local authorities in the first instance to distribute and possibly to collect the forms, but itself undertaking the tabulation and statistical work either at one centre or in a limited number of divisional centres. This census, which might be repeated subsequently if necessary, would give invaluable material for the general control of food supplies.
2. A fresh population census in a simple form should be taken. I believe that this is needed for a large number of purposes distinct from those of the Ministry of Food. It might be taken through the ordinary census machinery.

3. The Ministry of Food should, if this appears necessary, establish divisional food offices for general purposes in connection with its administration. The country would be divided into a limited number of districts (say twenty or thirty) for this purpose.

The foregoing proposals just made are not as satisfactory from the point of view of Food Control as those in Part I of this memorandum. They do not correct the wrong distribution of sugar, and they do not prepare in advance any appreciable part of the machinery that would be required for compulsory rationing. They would, however, supply some of the information indispensable for controlling food supplies, should the necessity arise later. If the information is not obtained now, we shall be in so much worse position for dealing with any emergency when it comes.

DEVONPORT.

Ministry of Food,
May 28, 1917.
REPORTS ON THE VISIT OF THE LABOUR DELEGATION TO 
RUSSIA, APRIL-MAY 1917.

I.—GENERAL REPORT.

The Military Situation.

GENERAL GOURKO put the position thus:—

"The armies under the old régime used to attack when ordered. Now the order to attack would be discussed by Soldiers' Councils and either delay or refusal would follow."

The General was quite candid in explaining the reasons now given by the Councils. Under the old dispensation attacks were made, often without sufficient artillery for modern warfare, barbed wire having to be cut with "nippers" with consequent heavy losses in men. The General, of course, is a man who believes in men obeying orders no matter the consequences. But there was no doubt in our minds that he volunteered this statement as showing how difficult it was to discipline an army under the circumstances. Gourko and other Generals we met had anxieties about the new officers commissioned straight from the "ranks." Firstly, it being impossible for them to go through the schools, their lack of knowledge did not tend to make them become efficient officers. Secondly, such officers,—as was natural,—had strong political revolutionary ideas, and therefore, the ears of the Workers' and Soldiers' Councils. It naturally followed that there was an hiatus between old and new régime officers.

After visiting the armies of the North and West fronts, the former under General Russky's command, and the latter under General Gourko's, we came away with the impression that for all practical purposes, those armies could be chalked out. There seemed an utter absence of discipline in the army under Russky. Two incidents that came within our knowledge will in some degree show the measure of indiscipline. We were informed by a soldier speaking English that his comrades at that time frequently fraternised with the enemy in the front firing lines and that only the week prior to our addressing the troops a large meeting had taken place at which a resolution was carried unanimously declaring that officers' pay, from General to subaltern, must be the same as privates. The soldier declared they expected the Workmen and Soldiers' Council to see the resolution carried into effect. Another incident showing that the High Command had lost control, or were impotent in the matter of enforcing discipline, occurred at the table of General Vouloukéidze, with whom we lunched. The private soldier, delegate from Minsk, who was with us, held a meeting of junior officers at the opposite end of table to that where the General sat. From the interpreter we gathered that the soldier was denouncing M. Miliukoff and the Provisional Government in general. He was also urging the young officers—not much urging required—to impress upon other officers and men to stand by the instructions issued from time to time by the Workmen and Soldiers' Council. The General heard this man and looked on helplessly. We were informed food supplies of troops were bad, materials of war were lacking, horses were dying for want of fodder, transport facilities wretched, and desertions had, up to that time, taken place en masse. We felt the only hope for this state of things was the formation of Coalition Government with strong Minister for War. That has since happened; but these were our impressions at the time.

Too gloomy a view ought not to be taken, for bad as the situation was, it would
have been much worse had the old régime been existing. Bad as affairs were, the Coalition Government, before we left Russia, had brought about an improvement, and the improvement showed evidence of accelerating progress.

Neither should a gloomy view be taken of the reports now coming from Russia with regard to soldiers’ deputies coming back from armies to Petrograd, Moscow, Dvinsk, Minsk, and Pskov. Their reports of soldiers’ determinations and the comments re same in their “journals,” and the extracts from both wired to newspapers here, are simply phrases; disturbing, it is true, to us Westerners, but of less weight to Russian people. All these reports as published in newspapers at home ought to be judged in the light of those reporting the visit of M. Kerensky and M. Thomas to the troops. Similar reports and comments in our newspapers do not better the position. The effect they do produce is to dishearten the men at head of affairs, working at an almost superhuman task. Cannot something be done similar to the action taken some time ago, when Mr. Balfour met the editors in London?

The Political Situation.

The leaders of Workmen and Soldiers’ Council are in the Coalition to press that the Allies shall issue a new note, accepting the policy of “no annexations, &c.” This is a real danger spot, because unless the Allies do something in the matter, the Coalition will break up, and possibly a separate peace with Germany will become the propaganda of the Workmen and Soldiers’ Council. We believe that “no annexations, &c,” are mere phrases. When asked whether Alsace-Lorraine becoming again French territory was annexation, Deputies replied “No!” When asked whether Germany should pay for material damage done in Belgium, France, Serbia, the Deputies replied “Yes!” They didn’t consider that charge a contribution or indemnity. We asked if they would accept the phrases “Restitution” and “Reparation” in place of their “No annexations, &c.” They replied that this seemed reasonable, but would not definitely commit themselves.

The civil population are led to believe that there is now nothing to continue the war for. They have their freedom—what more is necessary, &c? They are swayed in this direction by intense German propaganda, carried on right through Russia. This propaganda is not only for separate peace, but viciously anti-British. Russia is flooded with German agents and money, and their organisation and operation ranges from purchase of newspapers and flooding of workshops and armies with leaflets to paying women to stand in food queues denouncing Great Britain as responsible for shortage, high prices, and continuance of war. Not only that—and on this point there should be no doubt—German propaganda is intent upon establishing an opinion favourable to German economic exploitation of Russia when the war is over. In this connection it ought to be stated that our Consular Service in Russia is in a bad state. We have not generally men of sufficient calibre in brains, training, or experience. Perhaps this arises from the fact that salaries are wretchedly low. In an important industrial centre like Moscow we pay our consul 600£ per annum. Mr. Lockhart, the present consul, is a very capable man, high in the estimation of the British colony and of Russians generally. But 600£ a year for a man like Mr. Lockhart is in itself poor pay, to say nothing of keeping up the status of a British representative. We suggest that in every consulate of importance there should be two men, one having charge of commercial matters and the other carrying on the duties of the consulate as at present—the latter to be the superior officer. With great respect we urge that Russia is an Empire of great area, with a population of 180 millions, and with enormous possibilities of not only being a great market, but of developing into the greatest economic Power in the world. Its mineral, oil, and food-producing resources are practically untapped. When war is over, the struggle in exploiting these resources will, if no effort is now put forward by Great Britain, remain a matter of conquest between America and Germany, with advantages in favour of the latter.

Admittedly Russia and its part in the war is at the moment the grave concern of our Government. But the future of our relations, economic and political, ought not to be overlooked, even in the throes and travail of waging the war.

Food Prices and Wages.

Owing to the absence of organisation, people often wait in queues all day and night, and, on arriving at shop-doors, were told “Sold out.” It is not correct to say that the increase of wages has inflated food prices. There were scarcely any increases
up to the fall of the old régime, and since then wages have not risen unreasonably. At a Putilov factory in Petrograd the wages of women under the old régime were 2:88 a day, and are now 4 roubles. True, when we left Moscow, weavers were demanding an increase from 1:50 roubles a day to 4:50. But a system existed by which employers bought food and supplied it to workers at pre-war prices. Presumably, at a wage of 4:50 workers would buy their own food. Prices of food have risen almost wholly as a result of lack of transport, lack of organisation, fall in value of rouble, and profiteering.*

JAMES O'GRADY.
WILL THORNE.
WM. STEPHEN SANDERS.

II.—REPORT BY THE SECRETARY TO THE DELEGATION.

The Petrograd Workmen's and Soldiers' Council.

On arrival at Petrograd on the 14th April, we got into touch immediately with the Provisional Government and the Workmen and Soldiers' Council. The Provisional Government received us most cordially, and made arrangements for us to visit the Russian front. The Workmen and Soldiers' Council Executive Committee received us at first with a certain amount of reserve, but they were quite courteous, and the discussions we held with them from time to time were carried on quite amicably. The Council is composed of soldiers' deputies elected from regiments and workmen from factories, together with delegates from various sections of the Socialist movement, the four principal being the two wings of the Social Democratic Party (who are the most doctrinaire), the Socialist Revolutionary Party; and the Labour group.

The Council's Pronouncement on the War.

The Executive Committee of the Council were eager to know the attitude of the British Labour movement towards their pronouncement on the aims of the war, and they were most anxious that we should use our influence with the British Labour party in order that the British Government might be induced to endorse the pronouncement. We pointed out to the Committee that the attitude of the British Labour and Socialist movement as a whole had been expressed in resolutions passed at the various annual conferences of the British Labour party, the Trade Union Congress, and the General Federation of Trades Unions, and that we represented the views expressed by the majority of the delegates at these conferences.

Peace Formula.

We discussed, however, at considerable length on several occasions with the Committee the terms of the pronouncement, and pointed out that the simplicity of the formula of "No annexation and no indemnities" rendered it ineffective as a statement of Allied aims. We asked whether the transference to France of Alsace-Lorraine, for instance, would be considered to be an annexation, and whether insistence upon payment from Germany for damage done in Belgium, Northern France, Poland, and elsewhere would be considered to be a demand for indemnity. We also suggested that the third clause in the pronouncement—"the right of any nationality to settle its own destiny"—would probably lead to a transference of territory and people from one Power to another, and such transference might be considered to be annexation. The Committee could not give a clear and definite interpretation of the phrase "No annexation and no indemnities"; but they agreed that transference of territories and peoples must take place, and that the damage to Belgium, Northern France, Serbia, &c., must be paid for. In reply to a direct question, the Committee repudiated the idea that they were in favour of the status quo ante bellum. They were, however, most anxious that the three clauses in their pronouncement should be adopted by the Allies in principle, leaving discussion of details to the Peace Conference whenever it meets. Our last meeting with the Workmen's and Soldiers' Council Executive Committee took place on the day we left Petrograd (16th May), and lasted from midnight until 4 in the morning. The main purpose of this meeting was again to endeavour to obtain

* It could not be ascertained whether scarcity of food or high prices in towns arose from the causes mentioned above, or whether there was not an actual shortage of food in the country as a whole.—W. S. S.
definitions of the phrases “No annexation,” “No contributions,” “Self-assertion of peoples.” The Committee finally declared that these phrases would not now be defined, but that the proceedings of the suggested International Conference would settle them. The French Delegation, with whom our relations were quite harmonious, was with us at all our conferences with the Committee, and on the last occasion M. Thomas and M. Bronckère (of Belgium) also attended. The Committee were also desirous that the British and French Socialist and Labour movement should be represented at the conference the Committee were inviting to meet at Stockholm. We promised to place the invitation before the Labour and Socialist movement in Great Britain.

Meetings with other Organisations and Soldiers.

While carrying on our communications with the Executive Committee of the Workmen and Soldiers' Council, we also addressed meetings of delegates of the various sections of the Council itself, such as the Jewish Bund and the Labour group. The latter body is the most moderate and anti-German of the various sections, and appears to be influenced very largely by M. Tchakofsky, who for many years was resident in this country. A large Teachers' Conference, representing a very influential section of people, was addressed. We, together with the French Delegation, placed a wreath on the graves of the men who fell in the fighting during the Revolution. We addressed a large meeting held under the auspices of the Anglo-Russian Society, at which several members of the Provisional Government and His Majesty's Ambassador also spoke. We visited the barracks of the Volynski regiment and addressed every company. The spirit of the soldiers and their discipline appeared to be quite good. Before we left, over 700 men from this regiment were drafted to the front.

The Putilov Factory.

We also visited the Putilov factory, where we understood about 20,000 people were employed. The factory was under the control of a Workmen's Committee, who informed us that they were turning out about 25 per cent, more munitions than they had been able to do during the last weeks of the old regime. They complained that under the old régime they were kept short of fuel and material, and on several occasions had been locked out owing to shortage in these respects. They were working nine hours per day, and stated that they were quite willing to work longer, provided fuel and material could be secured. We went through the various workshops, where we found that the workpeople were working satisfactorily, and the organisation admirably controlled and proceeding smoothly. The Workmen's Committee were an intelligent body, and, although connected with the Workmen and Soldiers' Committee, they requested us not to think that their views were always rightly expressed by the middle-class Intelligenzia, who formed the majority of the executive of that body.

The Press.

We gave interviews to the leading newspapers of Petrograd, but we found that it was difficult to get into touch with the journals that expressed the views of the extreme sections connected with the Workmen and Soldiers' Council. These papers appear to be entirely in the hands of journalists who are desirous of concentrating the workmen's and soldiers' attention upon the question of peace.

At the request of the secretary of the Soldiers' Republican Union, I drafted a pamphlet giving an account of the British aims in the war, and suggesting that the first necessary task of the New Russia was the military defeat of Germany. This pamphlet, I understood, was to be translated and distributed amongst the soldiers.

Visit to Moscow.

From Petrograd we went to Moscow, where we were received by the local Workmen and Soldiers' Committee with cordiality and courtesy. We visited the Moscow Munition Factory, at which the workmen appear to be working without friction. We addressed meetings of the co-operators, students, the right wing of the Socialist-Democratic party and the soldiers. The left wing of the Socialist-Democratic party, however, declined to meet us, on the grounds that we represented the majority and not the minority of the British Socialist and Labour movement, that both the
French and British delegates had taken part in their bourgeois Governments, and that they (the left wing of the Social Democratic party) believed in Russia making an immediate peace, and insisted on a social revolution throughout Europe.

I.L.P. Repudiation.

At Moscow we learnt that the I.L.P. in England had issued a repudiation of the British Delegation, stating that we did not represent the British Labour and Socialist movement. We drafted a reply to this repudiation, which appeared in a number of papers in Moscow. Following this letter, an article appeared in the organ of the Workmen and Soldiers' Committee at Petrograd explaining that we represented the views of the recognised majority of the British Labour and Socialist movement, and were therefore entitled to be received by the Labour and Socialist movement in Russia. In this connection the telegram sent to Kerensky and signed by Mr. H. M. Hyndman and others proved most useful. It should be mentioned that the repudiation of us by the I.L.P. did not appear to affect adversely our relations with the various workmen and soldiers' organisations with whom we came in contact. We were always given an opportunity to explain who and what we represented, and it was only extremists, such as Lenin, who made use of the I.L.P. resolutions and statements which appeared in English papers against us.

Visit to the Front.

From Moscow we paid a ten days' visit to the Western and Northern fronts. We addressed a number of meetings of soldiers. On some occasions the meetings comprised from 3,000 to 5,000 men. We were always received with enthusiasm, especially when we impressed upon the soldiers the necessity of defeating German militarism in order to ensure the permanence of Russian freedom. At these meetings, however, two delegates from the Soldiers' and Workmen's Committee at Minsk also spoke. One of them talked crude Marxist socialism and laid great stress on the necessity of the Allies agreeing to the terms of peace drafted by the Workmen's and Soldiers' Council at Petrograd, repeating continuously the phrase of "no annexations and no contributions." It is true that he also declared that there must be no separate peace and no fraternising with the Germans, but the impression he conveyed was that the war was practically a capitalist one, and therefore not of particular moment to the Russian democracy. We did our utmost to nullify this impression, and we think we were to a certain extent successful.

Interviews with General Gourko.

We had two interviews with General Gourko who expressed the opinion that his army would, if time could be given, get over the disorganisation caused by the revolution and settle down to steady campaigning. He pointed out, however, that there were still grave difficulties in connection with transport, leading to shortage of ammunition. There was also insufficient fodder for horses which rendered movement very difficult. We also met General Russky at his headquarters, but as he was ill we were not able to discuss the situation with him. He had, moreover, resigned on the day we visited him.

The Soldiers' Committees.

We were struck by the excellent physique of the Russian soldiers and their remarkably good spirits considering the circumstances in which they had been living during the winter. There is, however, no doubt that there are certain elements in the Soldiers' Committees who are more interested in politics and in peace than in restoring discipline on a new basis in the army. Both in the Soldiers' and Workmen's Councils and the Soldiers' Committees the Jewish element is very strong, and we could not help feeling, although none of us is an anti-Semite, that the Jewish influence has nearly always an anti-British and pacifist tendency, arising probably from the fact that the Jews in these Comittees are nearly always extreme Socialists, whose socialism is drawn almost entirely from German sources. It was the Jews who, almost invariably, brought up at our meetings questions relating to English rule in Ireland, Egypt, or India and criticised British Imperialism which they insisted was the counterpart of German Imperialism. They lost no opportunity of urging an immediate peace at almost any price.
Discipline in the Army.

It is difficult to express an opinion as to the state of discipline in the armies as a whole that we visited. In some places it appeared to be good and relations between officers and men quite satisfactory; on the other hand, in some places, as for instance at Pskov, we were informed privately by the officers that the men were decidedly insubordinate. We were told by a number of officers, including Generals, that the rank and file refused to do outpost duty and this had to be done by the officers themselves. In general there was an air of slackness about all the armies; an absence of definite work which, we could not help thinking must tend to inefficiency, although we were informed that we must not judge the Russian army from the British standpoint.

The Coalition Ministry.

On our return to Petrograd the crisis which ended in the establishment of the Coalition Ministry was at its height, and it was not completely settled until after the time of our departure; but we feel that the settlement arrived at has caused great improvement in the situation. Kerensky, whom we met, struck us as being a very sincere and able man with a powerful personality. He appears to be trusted both by the workmen and the soldiers. The other Labour and Socialist representatives who joined the Coalition have also the confidence of the people they represent, and are, with the exception perhaps of Skobelev, level-headed and sensible men. Skobelev is not an extremist, but he is nevertheless a very strong pacifist, with an almost pathetic belief that the Russian revolution will influence the German people to bring about a movement on similar lines in Germany, which will be followed by peace. He is a visionary, apparently with little experience of affairs.

The Cost of Living.

With regard to the civil population there is no doubt a strong feeling in favour of peace, owing largely to the difficulties in connection with the food supply. The cost of living has gone up tremendously in the towns; for instance, in Moscow careful examination of prices, based on statistics supplied by a local hospital, showed that the cost of living had increased in that town 400 per cent since the beginning of the war. We were informed by some people that there was plenty of food in the country, but the difficulties of transport caused a lack of supply in the towns. Other persons assured us that the stock of food in the country was, unfortunately, very low; but we had no means of finding out the truth of either of these statements. The cost of living has also been artificially inflated by increases in wages and by the presence in the towns of large numbers of well-to-do persons, who previously lived in the districts now occupied by the enemy.

Labour Unrest.

Unrest, caused largely by high prices coupled with disclosed high profits, appeared to be very rife in the factories in the Moscow region. This unrest was, no doubt, stimulated by the more extreme sections of the revolutionary elements, which the more moderate members of the local Workmen's and Soldiers' Council found great difficulty in keeping under control. Outwardly, however, Moscow and Petrograd, in spite of constant big demonstrations and meetings, were quite peaceful and orderly.

The Stockholm Conferences.

On our journey home we stayed at Stockholm, and held a conference with M. Branting, M. Huysmans, M. Van Kol, and M. Troelstra, all of whom we know well, on the subject of the proposed separate conferences between the various national Socialist majorities and minorities and the International Socialist Bureau Executive. They were exceedingly anxious that the British Socialist and Labour movement, both majority and minority, should come to Stockholm, and informed us that they hoped that the result of the conferences would be to place the responsibility for the war and its continuance upon Germany. They feared that unless England and France were represented the German influence would be very strong with the highly susceptible Russian Socialists. M. Branting and M. Van Kol are pro-Allies, but Troelstra is suspected of German sympathies. He informed me confidentially that he was responsible for the alteration in the policy of the German Foreign Office, which had at first refused to allow the German Socialist minority to go to Stockholm.
The Causes of the Revolution

While at Petrograd we endeavoured to discover the real causes of the revolution, and after consulting a number of persons of various political opinions we came to the conclusion that, although there had been much discontent in the army and among the civil population, together with considerable underground revolutionary propaganda prior to the outbreak, the downfall of the old regime was mainly due to a deliberate plan of the Government to provoke disturbances (which were to be suppressed) in order to justify further reactionary measures, and to bring about peace with Germany on the ground that Russia was not in a position, owing to internal troubles, to continue the war. This plan, however, failed because the soldiers who were expected to fire on the people refused, except in a few instances, to do so, and turned their arms against the authorities. We were assured that if the Tsar had consented a few weeks earlier to create a representative ministry with a moderate reform programme the revolution would not have taken place.

General Impressions.

We left Russia feeling that the leaders of the Workmen's and Soldiers' Council at Petrograd had at last felt the necessity of ceasing to be an Opposition Government, and were endeavouring conscientiously to co-operate with the Provisional Government to bring about order and stability in Russia. If Kerensky's energies hold out we think he will be the man to save the situation.

Conclusion.

In conclusion, we wish to place on record our appreciation of the kindness and attention which we received at the hands of His Majesty's Ambassadors at Petrograd, Christiania, and Stockholm, and of the British consuls at Moscow and Bergen.

W. S. SANDERS, Lieutenant.