SECRET.

WAR CABINET, 52.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, February 2, 1917, at 11:30 a.m.

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

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

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

In attendance:
The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 1 to 8).


The Right Hon. the Lord Robert Cecil, K.C., M.P., Minister of Blockade (for Minutes 1 to 9).

Sir E. Wyldbore Smith, Director of International Commission on Supplies (for Minute 9).

The Right Hon. C. Addison, M.D., M.P., Minister of Munitions (for Minutes 5 to 9).

The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade (for Minutes 5 to 9).


Major-General F. B. Maurice, C.B., Director of Military Operations (for Minutes 1 to 5).

Captain R. Webe, C.B., R.N., Trade Division, Admiralty (for Minutes 5 and 6).

C. Hipwood, Esq., Board of Trade (for Minute 5).

Russia: Railways.

1. THE Secretary reported that Mr. Bury, of the Canadian Pacific Railway, the expert to be attached to Lord Milner's Commission in Russia, had arrived in this country; that the Prime Minister had given him his instructions; that Mr. Bury hoped to start at once, and that the Foreign Office had been asked to telegraph to Lord Milner accordingly (War Cabinet 47, Minute 29; War Cabinet 38, Minute 1).
Sinking of a British Submarine.

2. The First Sea Lord reported that the total loss involved in the sinking of Submarine K. 13 was two officers and twenty-three men. He stated that it was probable that the cause of the loss of the vessel would not be known until she was raised.

Hospital Ships.

3. The First Sea Lord reported that the alternative courses in regard to hospital ships in connection with the German proclamation were as follows:—

(a.) To sail them as far as possible through the safe area, which meant increased journey;
(b.) To continue them on their present routes brilliantly lit;
(c.) To send them along present routes darkened.

The War Cabinet considered that the question was closely allied to that of reprisals (War Cabinet 50, Minute 5). In the meantime, it was decided that:

Hospital ships should sail without lights, this being the course involving the least risks.

Air Board.

4. The War Cabinet approved the Memorandum by the Air Board (Appendix 1), drawn up in accordance with the decision of the War Cabinet on the 22nd December, 1916 (War Cabinet 15, Minute 9). The War Cabinet were doubtful if any advantage would be derived from immediate publication. They thought it would be preferable to make a statement in Parliament should the occasion arise.

Blockade of the United Kingdom, France, and Italy.

5. The War Cabinet considered the questions which arise out of the German declaration of blockade, with special reference to the provisional detention of neutral ships in our ports (War Cabinet 51, Minute 4). The number of neutral ships detained in ports in the United Kingdom is approximately 300, mostly with a probable freightage of 2,000 to 3,000 gross tons. It was also stated that there were about 140 neutral ships in Allied ports. The representatives of the Board of Trade stated that, if these ships were detained, they were of opinion that, with the Admiralty's assistance, it might be possible for us to man them.

The War Cabinet decided that:

(a.) The Admiralty should arrange for the Collectors of Customs to release at once by name the few American, Spanish, and South American ships in our ports, as well as the Swedish ship on which the Swedish Delegates had arranged to return.
(b.) That the Foreign Office should send a telegram to Norway, Sweden, Denmark, and Holland, in the sense that, in consequence of the German proclamation of blockade it would clearly be difficult for these countries to obtain adequate supplies of sea-borne commodities, and that he hoped that no Governmental action would be taken which might hamper any arrangement which the British Government might make with shipowners.
(c.) That the Foreign Office should repeat these telegrams to the Governments of France, Russia, Italy, Portugal, and Japan, informing them fully of our proposals, and requesting them also to detain Norwegian, Swedish, Danish, and Dutch ships.
6. The War Cabinet authorised the Minister of Blockade to sign the agreement with the Swedish delegates, which is based on the following principles:

(a.) To provide security for the maintenance of transit arrangements to Russia.

(b.) To secure an agreement in regard to the rationing of Sweden in respect to important articles.

They take note that the Swedish delegates have made stipulations in regard to this agreement, which are embodied, not in the agreement itself, but in a draft confidential letter from the Minister of Blockade to the delegates. On the advice of the Minister of Blockade, the War Cabinet sanctioned this arrangement, subject to minor alterations, which have been embodied in the letter as printed in Appendix II.

7. The War Cabinet discussed a telegram from the British Ambassador at Washington to the effect that the German Embassy have declared that Great Britain has food for only thirty days (Appendix III).

The Minister of Blockade asked for the instructions of the War Cabinet as to whether he should take the opportunity of seeing a representative of the American press in order to contradict the statement made by the German Embassy. The War Cabinet decided that:

Having regard to the importance of inducing the people of this country to economise in food to the utmost extent, it would be better not to divulge the true and more satisfactory position of food supplies in the United Kingdom, but that a telegram should be sent to Sir C. Spring-Rice giving him the facts for his own information.

8. The War Cabinet had before them a paper (Appendix IV) on this subject. They decided that:

It was impossible to come to a decision until after the Prime Minister's return. In the meantime, however, the War Cabinet were of opinion that, while His Majesty's
Restriction of Supplies of Material to the Allied Governments.

Government could not agree themselves to sign the Secret Declaration proposed by the Russian Government, the latter might be left to sign it on their own behalf.

Lord Robert Cecil undertook to ascertain the views of the French Government in regard to the matter.

9. The War Cabinet had under consideration a Memorandum by the Minister of Munitions on this subject (Appendix V).

Sir E. Wyldbore Smith, the Chairman of the Commission internationale de Ravitaillement, was authorised to communicate to the delegates of the Allied Governments on the Commission a statement of the restrictions in force in the United Kingdom, and to take such steps as were necessary for setting up Committees to make priority recommendations in regard to their demands for the various materials. The Minister of Munitions stated that similar Committees already existed in regard to the Dominions.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.,
February 2, 1917.
LETTER FROM THE SECRETARY OF THE AIR BOARD.

A.B. 81/11.

Air Board Office, Strand, W.C., February 1, 1917.

Sir,

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,[1] when the Cabinet determined in outline the duties and functions of the Air Board and its relations with the Admiralty, War Office, and Ministry of Munitions. The Cabinet decided that the details of the new arrangement should be worked out in consultation between these Departments.

I am now to forward, for the approval of the War Cabinet, a Memorandum embodying the conclusions which have been arrived at by the four Departments as a result of discussion of the subject.

It will be observed that the Memorandum embodies the material portions of the resolution of the War Committee of the 11th May, 1916, and of the draft conclusions of the War Committee of the 27th November, which were approved by the War Cabinet on the 22nd December, 1916, with two substantial alterations, apart from some slight modifications of wording. The two alterations are the following:

In the first place, the decision of the Cabinet to entrust the design as well as the supply of aircraft to the Ministry of Munitions was found to give rise to certain difficulties. That Department, constituted primarily as a manufacturing or supply department, did not consider itself well adapted to dealing with the highly specialised duty of selecting and approving the designs of aircraft. The science of aeronautics is at present in a state of such rapid and constant growth that it appeared expedient that its application to questions of design should be in the hands of a body on which the Naval and Military Flying Services were directly represented, and an agreement was arrived at accordingly that the Air Board should be charged with this duty. The accommodation in close proximity under one roof in the new premises of the Air Board of the Departments dealing with Design and Supply respectively will secure their complete co-ordination.

In the second place, it was agreed by all concerned that better results would be obtained if the distinction made in the records of the proceedings of the War Cabinet of the 22nd December, 1916, between the treatment of aeroplanes and seaplanes, by which the former were to be designed and supplied by the Ministry of Munitions and the latter by the Admiralty, were not insisted upon. Aeroplanes and seaplanes are manufactured by the same firms, are built out of the same raw materials, and present in points of design, in a large measure, the same problems. In these circumstances it is proposed that the design and supply of seaplanes should be dealt with in the same manner as the design and supply of aeroplanes.

I am to express the hope that the War Cabinet may see fit to approve the Memorandum, which has been drawn up on this basis.

It will be seen that the Memorandum restricts the province of the Air Board to questions of naval and military aeronautics. The conclusion of peace will bring with it urgent problems of another order.

The rapid development of aeronautics during the war will give an immediate impetus to commercial aviation, the development and regulation of which both from a domestic, an imperial, and an international standpoint, will present problems which will need consideration by a body familiar with the technical conditions which those problems involve.

Apart from this, the disposal of large quantities of costly aeronautical material, which may be surplus to peace requirements and will deteriorate rapidly, will have to be considered. The needs of the Dominions and the requirements of commercial aviation may present the means of disposing in part of this material.

The Air Board is of opinion that it would be in the public interest that it should be given power to consider and discuss these questions in good time with departmental and other assistance as may prove necessary. Their consideration should not be unduly hurried, while the correspondence involved, e.g., with the Dominions, may occupy a considerable period.

[1] Note by the Secretary to the War Cabinet.—See War Cabinet 15, Minute 9.

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I am accordingly to suggest that the Cabinet should add a paragraph to the enclosed Memorandum to the following effect:—

"The Air Board will have power to consider the problems connected with the development and regulation of aviation for civil and commercial purposes and to make recommendations to the Departments concerned."

I am further to suggest that, in view of the public interest taken in the new arrangements to be adopted in connection with the Air Services, it would be desirable that the enclosed Memorandum, if approved by the Cabinet, should be published, and I am to ask the authority of the Cabinet for doing so.

I am, &c.

H. P. HARVEY.

The Secretary,

War Cabinet,

10, Downing Street, S.W.

Enclosure to Appendix I.

Memorandum by the Air Board.

1. The Board will be composed of—
   The President,
   The Parliamentary Secretary,
   The Fifth Sea Lord of the Admiralty,
   The Director-General of Military Aeronautics,
   Two Representatives of the Ministry of Munitions,
   Additional Members, as may from time to time be found desirable.

   The naval and military representatives shall each be authorised to bring to meetings of the Board an assistant if and when they think fit. In case of the absence of the Fifth Sea Lord or the Director-General of Military Aeronautics, an officer will be deputed to represent the Admiralty or War Office.

2. The Board shall be free to discuss matters of policy in relation to the air, and to make recommendations to the Admiralty and War Office thereon.

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

4. The Admiralty and War Office will formulate the programmes of aerial production required for the fulfilment of the approved policy, and will refer these programmes for the consideration and concurrence of the Air Board.

5. The Air Board will decide as to the extent to which it is possible to approve the departmental programmes, having regard to the possible rate of production, the needs of the other Department, the respective urgency of the demands, and the supplies agreed to be given to Allied Governments.

6. The Air Board will select and be responsible for the designs of aeroplanes and seaplanes, with their engines and accessories, which are to be constructed for the purposes of the approved programme and for experimental purposes.

7. For the purpose of carrying out its duties in connection with design a Technical Committee will be constituted under the Air Board as follows:—

   Chairman, to be appointed by the President of the Air Board.
   Two representatives appointed by the Admiralty.
   Two representatives appointed by the War Office.
   Two representatives appointed by the Ministry of Munitions.

Three other members possessed of special qualifications may be appointed by the President; at least one of them shall have present day manufacturing experience.

The officers selected to represent the above Departments of the Government may be assisted or replaced by other representatives as may be found convenient.

The representatives of either of the three Departments may appeal to the Air Board in the event of their disagreeing with a decision of the majority of the Committee.
8. One of the members of the Technical Committee will be the Executive Director of the Technical Department of the Air Board.

9. An Inventions Committee will be appointed by the President of the Air Board, in which will be amalgamated the functions of the Aeronautical Sections of the Naval Board of Invention and Research and of the Munitions Inventions Department.

10. Experiments for the Naval and Military Air Services will be conducted for those Services through the Technical Committee. For this purpose, Naval and Military Air Service experimental stations will, while remaining under the Admiralty and War Office for administration, pay, and discipline, be placed at the disposal of the Technical Committee, which will issue its instructions through the Service members of the Air Board. The experimental stations in question are the following (to be agreed upon from time to time).

11. The Royal Aircraft Factory will lie 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.

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APPENDIX II.

PROPOSED SECRET LETTER.

(Secret.)

Gentlemen, Foreign Office, January 1917.

With reference to the draft Agreement between His Britannic Majesty's Government and the Royal Swedish Government, which is the result of discussion between the British and Swedish delegates, I am able to state that, in the event of the draft Agreement being ratified, notwithstanding the terms of the guarantees in the second schedule to the Agreement, His Britannic Majesty's Government will not object to the export from Sweden of articles containing small quantities of tin, rubber, copper, brass, aluminum, ferro-manganese, or rosin, provided that—

(a.) Such raw materials shall not in any case exceed 7½ per cent. of the total value of the manufactured article; and

(b.) The export shall not be allowed in the case of any article which is now or may hereafter be placed on the British list of either absolute or conditional contraband, or in the case of any article which is commercially capable by any process of being reduced to its original constituents; and

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(c.) The amount so exported in any quarterly period shall not exceed the average normal trade prevailing before the war; and
(d.) His Britannic Majesty's Government will be furnished, at as early a date as possible before the ratification of the Agreement, with a list of the articles above referred to.

2. His Britannic Majesty's Government will also not object to the export of imported tin, nickel, aluminium, and rubber in compensation for a corresponding quantity of the same raw materials contained in an article imported from a belligerent country to Sweden in cases where such compensation has been made an absolute condition for the export of the article to Sweden, provided that the amount so exported in any quarterly period shall not exceed $10^\frac{1}{2}$ tons of tin, $2^\frac{1}{2}$ tons of nickel, $1^\frac{1}{2}$ ton of aluminium, and $1^\frac{1}{2}$ tons of rubber.

3. It is expressly understood that no exportation under the terms of this letter will be allowed to take place except under certificate from the Swedish Handelskommission to the effect that they have satisfied themselves that the several conditions hereby laid down have been exactly fulfilled.

4. As I have already informed you, His Britannic Majesty's Government regard this modification of the operation of the guarantees as open to strong objection, and they feel that it would be greatly to the common advantage if they can be assured that there will be full and frank discussion of any question that may arise with regard to the working of the above-mentioned arrangements.

Swedish Delegates.

APPENDIX III.

Sir O. Spring-Rice to Lord Robert Cecil.—(Received February 2, 10:40 a.m.)

(Telegraphic.) R.

WASHINGTON, February 1917.

GERMAN Embassy state that Great Britain has food for thirty days only. Associated Press suggest that "it might be well if you could take an early opportunity of contradicting this statement. If allowed to stand, many Americans who want peace at any price will remain silent, whereas they may join those in favour of active measures on the part of the United States Government if they know we have plenty of food."

APPENDIX IV.

THE Russian Government have signified to His Majesty's Government and to the French Government that they can only consent to ratify the resolutions of the Economic Conference held in Paris in June last if it is agreed to sign at the same time a secret declaration to the following effect:

"The undersigned delegates of France, Great Britain, and Russia, being duly authorised to do so, have agreed that, in the elaboration of the measures necessary for the execution of the resolutions adopted by the Economic Conference of the Allies held at Paris in June 1916, each of the three Governments will take into account the special economic conditions of its country, and the exceptional position which it accords to certain categories of enemy subjects. It is fully understood that this declaration must be considered as forming an integral part of the instrument signed by the delegates, and that it will consequently be recognised as being ratified by any instrument ratifying the resolutions adopted by the aforesaid Conference.

"The present declaration will not be published.

"Done at Paris," &c.

2. On being asked by His Majesty's Ambassador at Petrograd to explain more precisely the scope of the proposed Secret Declaration, the Russian Government stated that it meant that they associated themselves generally with the decisions of the Economic Conference, but reserved to themselves the right not to carry them into effect in cases where their application would be directly detrimental to Russian interests.
3. It is obvious that this declaration enables any of the three Governments to disregard the Paris resolutions, either in part or altogether, if it chooses, but it is practically certain that the Russian Government will not ratify the resolutions without this reserve: The French Government are ready to sign the declaration.

4. A Cabinet decision is required as to whether His Majesty's Government should express their readiness to sign the Declaration, and as to whether the other Allied Governments, notably the Japanese and Italian Governments, should also be invited to do so. The Russian Government are pressing for an early reply.

_English Office, January 1, 1917._

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**APPENDIX V.**

**MEMORANDUM BY THE MINISTER OF MUNITIONS, CIRCULATED FOR CONSIDERATION BY THE WAR CABINET AT AN EARLY DATE.**

_Suggested Restrictions on Supplies of Material to the Allied Governments._

(Secret.)

My attention has been drawn to the anomalies of the existing situation with regard to the supplies of certain essential war materials to the Allied Governments as compared with the position in this country or in the Dominions and Colonies. As any proposal to alter the position raises diplomatic and financial questions outside the scope of the Ministry of Munitions, I desire to submit the matter to the War Cabinet for consideration.

2. The position in this country as regards a few of the supplies which I have in mind may be very briefly indicated as follows:

(1.) **Tin Plate.**

No permits are issued for the use of tin plate for food packing or other commercial purposes in the United Kingdom. The result has been to shut down the greater part of the export trade in foodstuffs and semi-fluid commodities.

(2.) **Steel for Building.**

No building work costing more than 500L can be carried out in the United Kingdom except under licence, and no steel of the best qualities is permitted to be supplied for building purposes. Further, no permits are issued for corrugated sheeting, and the result is that buildings required for urgent war work are being constructed of brick, wood, and slate, or, where steel work is essential, of steel of inferior qualities.

(3.) **Copper and Brass.**

The use of copper, brass, and copper alloys, whether for Government purposes or for private trade is rigidly restricted, and accurate returns are required of all brass and copper scrap which is produced by Government Departments or other consumers to whom permits for supplies of the metals have been granted.

3. In face of this situation at home, applications are constantly being received through the International Supplies Commission by the Priority Branch of the Ministry for the supply to the Allied Governments of the materials mentioned above, and of others whose use at home is not less strictly limited, for purposes which, under the classification in force in this country, cannot possibly be regarded as war demands, and would not therefore be considered to justify similar applications at home.

4. I therefore suggest that steps should be taken, either through the diplomatic channel or through the International Supplies Commission, to bring the following points to the notice of the Allied Governments, with an emphatic statement of the vital importance of restricting the demands put forward:
(a.) It is unreasonable to expect that the ordinary industries of Allied countries can continue to have a guarantee of a fixed proportion of the materials which they require, while similar industries in Great Britain are not given similar supplies, and have either to close down or go to the expense and trouble of finding substitutes. It must be remembered that the deficiencies arising in the materials in question, as regards the Allied requirements for war purposes, have to be made good from the supplies in this country.

(b.) The use of steel of the best quality for constructional purposes should be subject to limitations similar to those in force in this country, and Shell Discard quality steel should be used instead of mild steel, wherever steel of any kind is thought to be necessary.

(c.) I suggest that, if possible, the restriction of the use of copper and brass in ordinary industry should be on the same lines as are adopted here. A special emphasis should be laid upon the need for economy in the use of these materials in the construction of ships of war and merchant shipping.

(d.) The attention of the Allied Governments might be drawn to the fact that the Colonies have already agreed to prohibit the importation of certain materials, not required directly for war purposes, of which supplies cannot be obtained from Great Britain.

(e.) The Allied Governments should be required, as a condition of receiving any further supplies of tin plate, to furnish the Government with as full a statement as possible of their requirements for the next six months, and of the purposes which it is proposed to apply any quantities of tin plate allocated to them. It should be pointed out that arrangements of this kind have already been made as regards the Colonies, and that it should not be expected that supplies will be forthcoming for any purpose not directly connected with the prosecution of the war.

5. Subject to the general concurrence of the War Cabinet in the policy indicated above, I would suggest that the substance of this Memorandum be submitted for observations to the Government Departments concerned, with a view to the adoption of the proposals and the preparation of the necessary communications for transmission to the Allied Governments, through whatever channel is considered most expedient.

C. A.

Ministry of Munitions.
January 27, 1917.