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WAR CABINET 633.

*Conclusions of a Meeting of the War Cabinet, held at 10, Downing Street, S.W., on
Wednesday, October 22, 1919, at 12.30 p.m.*

Present :

The PRIME MINISTER (*in the Chair*).

The Right Hon. the Earl CURZON OF KEDLESTON, K.G., G.C.S.I., G.C.I.E. The Right Hon. A. BONAR LAW, M.P.	The Right Hon. A. CHAMBERLAIN, M.P. The Right Hon. Sir ERIC GEDDES, G.C.B., G.B.E., M.P.
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The following were also present :

The Right Hon. Lord BIRKENHEAD, Lord Chancellor. The Right Hon. A. J. BALFOUR, O.M., M.P. The Right Hon. the Viscount MILNER, G.C.B., G.C.M.G., Secretary of State for the Colonies. The Right Hon. E. SHORTT, K.C., M.P., Secretary of State for Home Affairs. The Right Hon. H. A. L. FISHER, LL.D., M.P., President, Board of Education. The Right Hon. J. I. MACPHERSON, K.C., M.P., Chief Secretary for Ireland. The Right Hon. R. MUNRO, K.C., M.P., Secretary for Scotland. The Right Hon. A. H. ILLINGWORTH, M.P., Postmaster-General. The Right Hon. Sir J. MACLAY, Bart., Shipping Controller. The Right Hon. Sir A. MOND, Bart., M.P., First Commissioner of Works and Public Buildings. The Right Hon. Sir G. HEWART, K.C., M.P., Attorney-General.	The Right Hon. W. LONG, M.P., First Lord of the Admiralty. The Right Hon. Lord INVERFORTH, Minister of Munitions. The Right Hon. G. H. ROBERTS, M.P., Food Controller. The Right Hon. C. ADDISON, M.D., M.P., Minister of Health. The Right Hon. the Lord LEE OF FAREHAM, G.B.E., K.C.B., President, Board of Agriculture and Fisheries. The Right Hon. Sir A. C. GEDDES, K.C.B., M.P., President, Board of Trade. The Right Hon. Sir L. WORTHINGTON- EVANS, Bart., M.P., Minister of Pensions. The Right Hon. W. S. CHURCHILL, M.P., Secretary of State for War. The Right Hon. Lord EDMUND TALBOT, G.C.V.O., D.S.O., M.P., Joint Parlia- mentary Secretary, Treasury. Captain The Hon. FREDERICK GUEST, D.S.O., M.P., Joint Parliamentary Secretary, Treasury. Sir JOHN CADMAN, K.C.M.G., Petroleum Executive Committee (for conclusion).
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Lieutenant-Colonel Sir M. P. A. HANKEY, G.C.B., *Secretary*
Mr. P. WICKS, *Assistant Secretary*.
Captain L. F. BURGIS, *Assistant Secretary*.
Mr. G. M. EVANS, *Assistant Secretary*.

Visit of President
Poincaré and the
Shah of Persia.

1. The War Cabinet, at the suggestion of the Acting Secretary of State for Foreign Affairs, authorised—

The First Commissioner of Works to utilise, for the decoration of the streets during the forthcoming visit of President Poincaré and the Shah of Persia, so much as might prove necessary of the residue of the amounts allotted for the decoration of London during the Peace Celebrations.

Return of
Mr. Balfour.

2. The Prime Minister welcomed Mr. Balfour on his first appearance at the War Cabinet after his prolonged absence at the Peace Conference. On behalf of the Government he thanked Mr. Balfour for his arduous and successful services to the country while in Paris.

Payment of
Royalties on Oil.

3. With reference to War Cabinet 603, Minute 4, the War Cabinet again discussed the question of the ownership of petroleum produced in the United Kingdom, which was to be raised by a question in Parliament as to whether the Government had come to a decision as to the payment of royalties on oil discovered in Derbyshire.

In view of the great difficulty of assessing the royalty to be paid, owing to the fluidity of oil, which, though discovered on one property, might emanate from or be tapped on another property, and in view of the fact that the sale of property on which oil was discovered might have been transacted without the possibility of its presence entering into the purchase-price, the War Cabinet decided that—

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G. M. E.

- (a.) The ownership of all oil from borings in the United Kingdom should be vested solely in the State, and no compensation should be paid to owners of oil-bearing property from the oil itself.
- (b.) Compensation should only be paid in respect of disturbance of property and loss of amenity caused by the working of the wells.

The War Cabinet further decided that—

The Minister of Munitions, in consultation with the Parliamentary Draughtsman, should prepare a Bill, for early introduction in Parliament, carrying out the above decisions.

The Chancellor of the Exchequer raised the question as to whether it was desirable, in view of the fact that the Government had already spent 300,000*l.* on experimenting for oil and that only one actual oil-producing well had yet been discovered, to discontinue the operations.

Sir John Cadman, however, was able to give later information of a more favourable kind, and stated that Messrs. Pearson were prepared to take over the whole of the operations from the Government, provided the question of royalties was satisfactorily settled from their point of view, and to recompense the Government for expenditure already incurred.

The Chancellor of the Exchequer then withdrew his proposal.

Aliens Restriction
Bill,
Pilotage Certificate,

4. The War Cabinet had under consideration a Memorandum by the President of the Board of Trade (Paper G.T.-8378), in which it was stated that a clause had been inserted in Committee in the Aliens Restriction Bill to the effect that no alien shall hold a pilotage certificate for any port in the United Kingdom. It was further pointed out that the clause is in direct contradiction to the Anglo-French Convention, to which effect is given in

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Section 24 of the Pilotage Act, 1913, under which provision is made—

“(i.) For the renewal of pilotage certificates granted before the 1st of June, 1906, to an alien master or mate.

“(ii.) For the granting of fresh certificates in cases where an alien master or mate shows, to the satisfaction of the Board of Trade, that he is a master or mate of a ship which is of substantially the same class and trading regularly between the same ports as a foreign ship which on the 1st of June, 1906, was exempt from the obligation of carrying a licensed pilot or had habitually been piloted by a master or mate of a ship who held a pilotage certificate. In such cases the Board of Trade may authorise a master or mate to apply to a Pilotage Authority for a pilotage certificate.”

The War Cabinet decided that—

The clause of the Aliens Restriction Bill referred to above should be modified by making its application subject to the provisions of Section 24 of the Pilotage Act,

and requested—

The Home Secretary to take the necessary steps to carry this decision into effect.

Employment of
Aliens on Merchant
Ships.

Attention was also drawn to the fact that the following clause was inserted in the Aliens Restriction Bill in Committee :—

“No alien shall act as master, chief officer, or chief engineer of a British merchant ship registered in the United Kingdom, except in the case of a ship employed entirely in trade between parts of the world outside the British Empire,”

and that Lieutenant-Commander Kenworthy would move amendments thereto which would make the clause read as follows :—

“No alien shall act as master, *officer*, or *engineer*, or as *member of a crew* of a British merchant ship registered in the United Kingdom, except in the case of a ship employed entirely in trade between parts of the world out of the British Empire, *provided that for a period of three years from the date of the passing of this Act an alien may act as member of the crew of a British merchant ship registered in the United Kingdom should no British seafarers be available.*”

The Home Secretary reported that the Admiralty urged that the prohibition should apply at any rate to aliens acting as masters.

After some discussion, in the course of which the Shipping Controller urged that the Government should press for the deletion of the whole clause when the Bill was discussed at the Third Reading, the War Cabinet decided that—

The clause be so amended that the restrictions imposed thereby should apply only to aliens acting as masters, and that the provisions of the clause should not in any case apply to aliens who are at present acting as masters in British ships.

Decisions of the
Cabinet Finance
Committee.

Attitude of the
Japanese Fleet in
Australian Waters.

5. The War Cabinet took note of and approved the following extract from the Minutes of the 9th Meeting of the Cabinet Finance Committee:—

“The First Lord of the Admiralty read to the Committee a telegram, dated the 15th October, from the Prime Minister of Australia, asking for the immediate despatch of a British squadron to the Pacific. The telegram stated that, owing to the immobility of the Australian Navy through lack of fuel, the Australian Government were apprehensive of an aggressive attitude on the part of the Japanese Fleet in those waters.

“The Committee decided—

“To approve the refusal of the First Lord to send a squadron to the Pacific, and to authorise him to reply to the Australian Government that the Cabinet had considered the matter and were of the same opinion as had already been expressed by the First Lord of the Admiralty on the 15th October in reply to a previous telegram from the Australian Prime Minister on the 7th October.”

Assistance to
Poland.

6. With reference to War Cabinet 631, Minute 4, the War Cabinet took note of and approved the following conclusion of the Prime Minister's Cabinet Finance Committee (10th Meeting, Minute 1):—

“In view of the heavy contribution which the British Government had given to General Denikin, as part of an arrangement under which the French were to undertake the main responsibility for helping Poland, the Cabinet Committee decided that—

“Any assistance which it might be possible for the War Office to give to Poland should form a contribution to an Allied effort, and not be an independent contribution.”

Return of General
Rawlinson.

7. The War Cabinet took note of the following extract from the Minutes of the 10th Meeting of the Finance Committee (10th Meeting, Minute 7):—

“The Prime Minister, on behalf of the War Cabinet, welcomed General Rawlinson on his safe return from North Russia, and thanked and congratulated him on his successful conduct of the difficult and critical operation of withdrawal from North Russia, and on the firmness and tact which he had displayed. This operation had been a cause of considerable preoccupation and anxiety, both inside and outside the Government.”

Despatch of a Food
Ship and Food to
Murmansk.

8. The War Cabinet took note of and approved the following extract from the Minutes of the 10th Meeting of the Prime Minister's Cabinet Finance Committee (10th Meeting, Minute 7):—

“General Rawlinson advised that a shipload of food—5,000 or 6,000 tons—should be sent to Murmansk about Christmas, in addition to supplies already sent. He also urged that a man-of-war should be sent to visit Murmansk once or twice during the winter, for the purpose of moral encouragement.

“The Chancellor of the Exchequer stated his impression that a sufficient supply of foodstuffs had been sanctioned to carry Murmansk through the winter.

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“ The Cabinet Committee decided that—

- “(a.) The Secretary of State for War should make enquiries as to the possibility of sending a shipload of food-stuffs to Murmansk from the area occupied by General Denikin.
- “(b.) The Secretary of State for War should communicate with the First Lord of the Admiralty in regard to the visit of a warship to Murmansk.”

2, *Whitehall Gardens*, S.W. 1,
October 22, 1919.

