WAR CABINET, 190.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Thursday, July 19, 1917, at 11:30 A.M.

Present:

The PRIME MINISTER (in the Chair).

The Right Hon. the EARL CURZON OF KEDLESTON, KG., G.C.S.I., G.C.I.E.

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

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

The following were also present:—

The Right Hon. the EARL OF DERBY, KG., Vice-Admiral SIR H. F. OLIVER, K.C.B., M.V.O., Deputy Chief of the Naval Staff (for Minutes 1 to 8).

General SIR W. R. ROBERTSON, G.C.B., K.C.V.O., D.S.O., Chief of the Imperial General Staff (for Minutes 5 to 8).

The Right Hon. W. LONG, M.P., Secretary of State for the Colonies (for Minutes 1 to 4).

Professor W. G. ADAMS (for Minute 12).

Lieutenant-Colonel W. DALLY JONES, Acting Secretary.

Major L. STORR, Assistant Secretary.

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

Mr. THOMAS JONES, Assistant Secretary.

1. LORD MILNER reported the result of the Conferences held this week on Food Prices and Food Distribution, at the request of the War Cabinet (War Cabinet 188, Minute 11), with representatives of the War Office, the Boards of Agriculture, the Board of Trade, and the Ministry of Food. It had been unanimously agreed to recommend, for the approval of the War Cabinet, the following scale of maximum prices for live cattle for the Army:

<table>
<thead>
<tr>
<th>Month</th>
<th>Price per Live Cwt</th>
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<tbody>
<tr>
<td>September 1917</td>
<td>74s.</td>
</tr>
<tr>
<td>October</td>
<td>72s.</td>
</tr>
<tr>
<td>November and December</td>
<td>67s.</td>
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<tr>
<td>From 1st January, 1918</td>
<td>60s.</td>
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</tbody>
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(These prices compared with a price of about 87s. at the present time).

It had also been unanimously agreed to recommend, for the approval of the War Cabinet, that the mean price of British wheat purchased...
by the Food Controller should be 72s. per 480 lb., and that the price of the quarter loaf should be 9d., the prices of barley and oats to be on a parity with the price of wheat.

Lord Milner stated that this agreement had been reached after prolonged consideration. There would no doubt be protests by the farmers, especially by those who had bought store cattle at high prices, but the figures fixed for September and October made, in his opinion, sufficient allowance for difficulties of this class. The loss to the Treasury on the wheat purchases was estimated by the Food Controller to be roughly as follows:

- 28,000,000 quarters of imported wheat bought at 83s. and supplied to the millers at 62s. would involve a loss of 29,500,000/.
- 7,000,000 quarters of British wheat bought at 72s., supplied to the millers at 62s., would involve a loss of 3,500,000/.

The total loss was thus estimated at about 33,000,000/; but he (Lord Milner) thought that, in view of possible economies of higher milling and dilution, the estimate was much too high. His own estimate was that the loss would not greatly exceed 25,000,000/.

The Secretary of State for the Colonies pointed out that the farmers were, for various reasons, undergoing a severer strain than was generally realised, but he agreed that the proposed dates and suggested meat prices gave them a fair chance of disposing of their cattle.

In coming to a decision, the War Cabinet were influenced by the recent reports of the Commissioners on Industrial Unrest, who attributed much of the prevailing unrest directly to high food prices. Demands for increased wages were constantly being made, and strikes were frequent. For the vigorous prosecution of the war a contented working class was indispensable. There were large districts where the cost of living had increased far out of proportion to the advances in wages. In France bread was being supplied at 1s., at a cost to the Government of 37,000,000/.

The Chancellor of the Exchequer strongly represented to the War Cabinet the serious inroad on the Treasury which the wheat purchases involved. It would be very difficult to justify them to the House of Commons. The estimated loss would be much larger than the additional taxation put on this year, and it would have to be borne by classes already severely handicapped by war taxation. He wished to express his dissent from the proposals.

The Food Controller explained that his scheme embraced not only the reduction in the wholesale prices of bread and meat, but the setting up of machinery to control the middlemen, and, with the aid of the local authorities, to secure that the reductions reached the consumers. He proposed, for instance, to license wholesale meat dealers and butchers, who, on the basis of a reasonable profit, would sell at not more than a price fixed by the Food Controller, the price to be adjusted to the varying customs of different localities. The meat prices would come into operation on the 1st September, and he fully recognised the importance of an early announcement with regard to bread.

Lord Rhondda undertook to make this announcement at the earliest possible date, and to bring the reduction of price into operation not later than the middle of August.

The War Cabinet approved the recommendations of the Conferences as reported above by Lord Milner.

Liquor Restriction: Supply of Harvest Beer.

2. The War Cabinet briefly considered the present provision of beer, especially in rural areas, and Lord Rhondda undertook to see whether brewing facilities could be extended without the issue of a special order.
The War Cabinet had under consideration certain telegrams which had passed between the Secretary of State for the Colonies and the Governor-General of Australia, as the result of their decision on the 22nd May, 1917 (Paper G.T.-1356. Appendix I).

The War Cabinet decided that—

"The Secretary of State for the Colonies should make the necessary arrangements for the safe transmission of a set of Papers, identical with that supplied for record to the various Prime Ministers of the Overseas Dominions who had attended the Imperial War Cabinet meetings earlier in the year, to the Prime Minister of the Australian Commonwealth.

The War Cabinet had before them a Memorandum prepared by the Controller of the Navy and the Fourth Sea Lord (Paper G.T.-1433), stating that it was understood that an Inter-Ally Conference was to meet in London to arrange the quantities of all supplies of war material to be obtained by the Allies from the United States of America, and submitting that, for the reasons given in the Memorandum, oil fuel and ships of all kinds should be excluded from the list of these supplies, the Admiralty being allowed to retain its present responsibility for the provision of the said supplies from that country.

It was pointed out, in regard to the above Conference, that nothing had yet been settled as to its powers, constitution, or place of meeting; that the views of the United States Government on this question had not yet been communicated to His Majesty's Government; and that, in the circumstances, any discussion of the subject with a view to a definite decision was premature.

The War Cabinet agreed that—

Pending a decision as to the constitution, powers, and habitat of the Conference, the present arrangements, under which the Admiralty control the provision of oil-fuel and ships from the United States, should continue.

The Eastern Front. 5. The Chief of the Imperial General Staff communicated to the War Cabinet the latest information regarding the present offensive operations by the Russians in various sections of their front, and his view as to the measure of success that might accrue in each case. General Robertson stated that two German divisions from the Western front, and two and a half divisions from the Italian front, had lately been withdrawn in order to check the Russian advance. So far as his information went, the enemy had now only seven divisions on the Eastern front in reserve on a line which extended for 900 miles. In regard to the Southern sector of the Russian front, he briefly outlined what he understood to be the intentions of General Brusiloff in regard to a possible offensive in that quarter.

The Western Front. 6. The Chief of the Imperial General Staff said that on the Western front the enemy had now three fewer divisions than they had three months ago. The total number of Allied divisions on this front was 180, as compared with 153 enemy divisions.

Palestine. 7. The Chief of the Imperial General Staff said that he had prepared a note regarding the recent telegram from General Allenby respecting requirements for a campaign in Palestine, which he undertook to circulate to the War Cabinet that afternoon.
8. The War Cabinet briefly considered certain questions which were to come up for discussion at the forthcoming Conference at Paris. They agreed that the presence of General Cadorna at the Conference was desirable, and the Chief of the Imperial General Staff undertook to inform General Cadorna accordingly.

9. The Deputy Chief of the Naval Staff gave details as to the most recent losses.

The War Cabinet, after a review of the losses during the past month, agreed that the situation was, relative to anticipation, not unsatisfactory.

10. The Deputy Chief of the Naval Staff reported that enemy seaplanes had recently bombarded Stavros, without causing any damage.

11. The Deputy Chief of the Naval Staff stated that a convoy of 24 ships from the United States had reached British shores intact; that another large convoy was due in the course of the present week; and that six convoys were now on the Atlantic.

12. In view of the agitation in certain quarters in Ireland for the submission of the conclusions of the Irish Convention to a referendum before any legislative action is taken (see Memorandum by Mr. Duke, G.T.-11440 [Appendix II], and of a question to that effect which Lord Dunraven was putting in the House of Lords, the War Cabinet considered that it would be a great pity that the Government should not be free to give legislative effect to a scheme which secured the agreement of all moderate sections in Ireland, and should be compelled to submit it to a Referendum, where it would be almost certain to be rejected.

The War Cabinet requested—

Lord Curzon to reply to the question to the effect that there was no intention, on the part of His Majesty's Government, to take advantage of the Convention in order to force upon Ireland conclusions which would get the Government out of its immediate difficulty. The Government had asked Ireland to formulate its own plan, and the understanding was that if there was a reasonable degree of unanimity in the conclusions arrived at by the Convention, and if there was good ground for believing that they would meet with the general support of the Irish people, His Majesty's Government would take steps to give them legislative effect.

13. The War Cabinet, in continuation of the instructions given to the Chief Secretary for Ireland (War Cabinet 186, Minute 1), decided that—

A weekly report on the state of Ireland should be submitted to them by the Chief Secretary.

14. With reference to War Cabinet 187, Minute 9, the Prime Minister informed the War Cabinet that he had granted an interview on the 17th instant to certain editors of leading newspapers, that he had explained to them quite frankly and in strict confidence the exact position of affairs, and that he had reason to hope that the interview, which was of a very satisfactory nature, would be justified by results.
15. With reference to War Cabinet 181, Minute 1, Lord Curzon stated that he had commenced, but been unable to continue, the meetings of the Committee of which he was Chairman owing to the changes in the three Ministers who were associated with him on the Committee. He proposed to sit again on the following Monday, when he hoped that all the members would be present, and he would report progress to the War Cabinet with the least possible delay.

16. With reference to War Cabinet 181, Minute 2, the War Cabinet considered the first Report of the Committee (Paper G.T.–1451), submitting the recommendations of the Committee regarding the measures which, in their opinion, should be adopted to improve the present arrangements for the defence of the London area against hostile air raids.

The War Cabinet approved the recommendations of the Committee, and instructed the Secretary to take the necessary steps to ensure immediate effect being given to the same.

17. The War Cabinet took note of a representation which was made to them to the effect that an article which had appeared in that morning's issue of "The Daily Chronicle" indicated that there had been an unauthorised disclosure to the above paper of information of a confidential nature, relating to the National Service Department.

2, Whitehall Gardens, S.W.,
July 19, 1917.
APPENDIX I.

ISSUE OF IMPERIAL WAR CABINET DOCUMENTS TO THE PRIME MINISTER OF THE COMMONWEALTH OF AUSTRALIA.

(Copies of Telegrams to and from Secretary of State for the Colonies and the Governor-General of Australia, and War Cabinet Minute.)

I.

Governor-General of Australia to Secretary of State for Colonies, July 6, 1917.

Your cypher telegram of 23rd May regarding circulation among the members of British War Cabinet of most secret documents, my Prime Minister does not anticipate visiting England at present. He suggests that Imperial Authorities should decide method of forwarding documents to Australia.—MUNRO FERGUSON.

II.

Secretary of State for Colonies to Governor-General of Australia, May 23, 1917.

A number of documents of great importance and of the most secret character were circulated to members of the Imperial War Cabinet. His Majesty’s Government feel that your Prime Minister ought to have cognisance of these papers, and are prepared to send a set of them if he so desires; but we are greatly impressed by the danger of sending such documents across the sea in present circumstances when raiders are at large—should they fall into enemy’s hands the consequences would be serious. We should therefore prefer if there is any chance of Mr. Hughes coming to England to retain the papers here till he arrives. Please inform me of his wishes.—LONG.

III.

Extract from Meeting of War Cabinet 142, May 22, 1917.

13. The War Cabinet discussed the question of communicating Imperial War Cabinet documents to the Prime Minister of the Australian Commonwealth (Paper G.T.-741) (Appendix III).

The Secretary of State for the Colonies pointed out that the other Prime Ministers had each taken away a set of the papers supplied to them during the Session of the Imperial War Cabinet, taking special precautions for their destruction in case of emergency. Mr. Hughes was therefore in a position, relative to the other Prime Ministers, of complete ignorance as to the Imperial situation, as it had been before those Ministers. This might possibly be awkward if Mr. Massey visited Mr. Hughes on his return journey and spoke about matters with regard to which Mr. Hughes was left uninformed. If Mr. Hughes were coming over soon he could see the papers here, but his plans were uncertain, and if he were not coming over he might be offended if he did not receive the papers. The Secretary of State for the Colonies had some doubts whether a Prime Minister who was absent from the Cabinet Session should have the papers circulated to him, and, in view of the fact that the Imperial Cabinet was being established as a permanent institution, that point would have to be considered. After some hesitation, in view of the possible risks run, he had been prepared to suggest sending the documents out in charge of a special messenger.

A general discussion followed, chiefly as to the extent of risk incurred in sending the documents oversea.

The War Cabinet instructed—

The Secretary of State for the Colonies to send a telegram to the Prime Minister of the Australian Commonwealth
expressing the view of the War Cabinet that he ought to see the documents in question, but laying stress on the considerable risk involved in sending them to Australia, and suggesting that, if he were thinking of coming over to this country in the near future, the documents might be kept here pending his arrival.

APPENDIX II.

G.T.-1446.

IRISH CONVENTION.

Note by Mr. Duke.

THE announcements made in the course of the last few days with regard to the constitution of and arrangements for the Irish Convention appear to have considerably revived public interest in this undertaking. Such information as I have been able to obtain leads me to think that the Extremists in Ireland are by no means content with their present position in the matter, and may even yet desire to gain admission for some of their spokesmen at the sittings of the Convention. It appears, therefore, to have been a wise decision by which the question of representation of the O'Brien and Sinn Fein interests was left open until the Convention meets.

Among a very large portion of the active politicians in Ireland there is an urgent demand that the Government should make some announcement which will secure them against being committed by the proceedings of the Convention to some Irish settlement which might be rushed through the two Houses of Parliament and passed into law, although in fact it might not be a settlement satisfactory to a majority of the Irish electorate. This wish takes the form generally of a demand for a referendum—a demand which has been systematically presented day by day for some weeks in the editorial columns of the "Irish Independent," the most widely circulated of the Irish newspapers.

The reasons against the announcement of a referendum upon any proposed Irish settlement are, to my mind, obvious, and I know that some of the advocates of a referendum recognise the force of these reasons. I think, however, it would probably facilitate the work of the Convention to a great extent if at the earliest time possible an announcement could be authoritatively made in Parliament which would present a safeguard to those representatives of Irish opinion who, I think, honestly fear an attempt at a sudden settlement by agreement of the Convention and consequent legislation without any reasonable certainty that the settlement would command the support or acquiescence of the masses of the Irish people. I hope it may be found possible to make such a statement as I have indicated in the course of the present week.

July 11, 1917.

(Initialled) H. E. D.