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SECRET.

WAR CABINET, 247.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, October 9, 1917.

Present:

The Prime Minister (in the Chair).

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

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

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

The following were also present:


The Right Hon. Lord R. Cecil, K.C., M.P., Minister of Blockade (for Minute 8).

The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 5 to 9).


Major-General F. B. Maurice, C.B., Director of Military Operations, War Office (for Minutes 1 to 4).

The Right Hon. W. S. Churchill, M.P., Minister of Munitions (for Minute 9).

Mr. F. G. Kellaway, M.P., Parliamentary Secretary, Ministry of Munitions (for Minute 9).

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

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

The Right Hon. Sir E. Carson, K.C., M.P.

The Right Hon. J. BALFOUR, O.M., State for Foreign Affairs.

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

The Right Hon. the EARL OF DERBY, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 5 to 9).


Major-General F. B. Maurice, C.B., Director of Military Operations, War Office (for Minutes 1 to 4).

The Right Hon. W. S. Churchill, M.P., Minister of Munitions (for Minute 9).

Mr. F. G. Kellaway, M.P., Parliamentary Secretary, Ministry of Munitions (for Minute 9).


Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 1 to 4).

Commodore G. M. Paine, C.B., M.V.O., Fifth Sea Lord (for Minute 9).

The Right Hon. Sir A. STANLEY, M.P., President of the Board of Trade (for Minute 8).

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

The Right Hon. the Viscount Cowdray, President, Air Board (for Minute 9).

SIR D. J. SHACKLETON, K.C.B., Permanent Secretary Ministry of Labour (for Minute 5).

Mr. H. B. Butler, Ministry of Labour (for Minute 5).


Major L. STORR, Assistant Secretary.

Mr. THOMAS JONES, Assistant Secretary.

Captain L. S. AMERY, Assistant Secretary.
The Western Front.

1. THE Director of Military Operations reported that a joint Anglo-French attack had begun that morning. No detail had been received beyond an intimation that all was going well.

War Office Statistical Return.

2. The Director of Military Operations handed in a Paper for circulation to the War Cabinet giving a comparison of the number of days fighting, prisoners, guns, area of ground captured, British and estimated German casualties.

Mercantile Shipping Losses.

3. The First Sea Lord reported heavy losses in the outward trade to Gibraltar, which he attributed to lack of convoy cruisers. He had asked the Shipping controller for fifteen merchant ships with a view to fitting them out as cruisers.

Dunkirk.

4. With reference to War Cabinet 246, Minute 14, the First Sea Lord read a telegram from the Naval Liaison Officer to the effect that General Pétain was arranging for considerable additional provision to the air defences of Dunkirk.


5. With reference to War Cabinet 157, Minute 12, the War Cabinet had before them a Report by the Ministry of Labour on the “Attitude of Employers and Employed to the Whitley Report” (Paper G.T.-2176).

Dr. Addison explained that the Whitley Report recommended that the Government should ask the existing associations in each industry to organise themselves in such a way that they can adjust their difficulties and prepare for the period of reconstruction, and at the same time increase the share of the workers in shaping the conditions under which they work. It was very desirable to establish, if possible, councils which would be representative of a trade as a whole, in place of the diverse organisations now often to be found within a single trade. Once the War Cabinet approved the recommendations set forth by the Ministry of Labour, it would be possible for the Ministry of Reconstruction to put forward a number of suggestions indicating some functions which the Industrial Councils might discharge. There were important questions connected with the allocation of raw materials, increased production, commercial development, demobilisation, and so forth, in dealing with which the proposed councils could possibly render most valuable assistance. He would formulate a number of suggestions on these lines, in co-operation with the Ministry of Labour, and if any new principle were raised it would, of course, be submitted to the War Cabinet.

Sir David Shackleton said that, on the whole, the Whitley Report had been very favourably received by the Trade Unions. Such criticisms as had been expressed came either from the advocates of national guilds, who feared the adoption of the Whitley Report would tend to improve industrial relations, or from highly organised industries like the cotton trade, where satisfactory machinery had been evolved and where Government interference was not welcomed. There would be practical difficulties in setting up the councils, e.g., the precise definition of the limits of a trade, but he thought they could be surmounted. A report on the unorganised trades would follow.

Mr. Kellaway stated that the Whitley Report had already stimulated the formation of Shop Committees, and there were now a number of them in the National Factories.
The War Cabinet decided—

To endorse the principle of the Whitley Report, and approved the steps proposed to be taken by the Ministry of Labour for setting up Industrial Councils, as set forth in Paper G.T.-2176.

6. The War Cabinet considered a memorandum by the Secretary of State for War on the acquisition of land for purposes connected with the war, together with a draft of a Bill to amend the Defence of the Realm (Acquisition of Land) Act, 1915 (Paper G.T.-2153), and a note by the Chief Secretary for Ireland (Paper G.T.-2195).

Lord Derby explained that the present practice, when land was required, was to proceed under the Defence of the Realm Regulations and to refer applicants for compensation to the Defence of the Realm Losses Commission, but no legal right to compensation was admitted. Doubts, however, had recently been cast on the legal position when the Shoreham Aerodrome case was before the House of Lords, and the object of the present Bill was to remove these doubts by enabling the Defence of the Realm Losses Commission to assess damages.

Sir Edward Carson said the Bill was a very mild one, and aimed at putting a stop to petitions of right claiming compensation for damage on a peace basis. It was desirable to put an end to the extravagant claims for direct and consequential losses which were being advanced. This the Bill did. The Bill was comprehensive, so far as the acquisition of land went, but there were analogous problems connected with other forms of property.

The War Cabinet, while approving the principle of the Bill, were of opinion that it would be preferable, if possible, to introduce one Bill dealing with the various kinds of property disturbed by the war, rather than a series of Bills, and requested—

Sir Edward Carson to examine the subject from this standpoint and to report.

7. On the suggestion of the Secretary of State for War the War Cabinet appointed the following Committee:—

Lord Curzon, Chairman,
Mr. Balfour,
Lord Derby,
Mr. Churchill,
Captain Amery, Secretary,

to consider the allocation of guns in relation to the demands put forward by our own armies and by those of the Allied Governments.

8. The War Cabinet discussed the whole question of the trade war against Germany raised by Sir Edward Carson's memorandum on the Economic Offensive (Paper G.-156) (Appendix I), and further dealt with in memoranda by the Board of Trade (Paper G.-158), Lord R. Cecil (Paper G.-159), Dr. Addison (Paper G.T.-2170), and Mr. Montagu (Paper G.T.-2239). The importance of making the fullest use of the economic lever in possession of the Allies to counteract the territorial lever which the Germans possess in their occupation of Allied territory was emphasised, and it was suggested that a strong Committee should be appointed to study the question from the British point of view as a preliminary to a comprehensive agreement with France and the United States as to a policy of common action.

It was pointed out that the questions under consideration affected not only the United Kingdom, but the British Empire as a
Air Raids and Bombing of Germany.

whole, and that any policy agreed upon would require the co-operation of the Dominion and Indian Governments. The desirability of keeping labour in touch with the question was also urged, more particularly with reference to the recent pronouncement of the Trades Union Congress at Blackpool in favour of Free Trade. It was pointed out, however, that the question of the Economic Offensive is not directly connected with that of our future fiscal policy, and, indeed, that, in so far as we use our powers of economic control for the purposes of co-operation with our Allies or bargaining with the enemy, we to that extent limit our absolute freedom in the matter of a restrictive economic policy.

Lord R. Cecil expressed the hope that the deliberations of the Committee should not preclude the active continuance of the Economic Offensive on existing lines. He drew attention to such specific proposals as that put forward by M. Clémentel, Mr. Montagu, and others, for threatening to increase the severity of our post-War measures in proportion to the further continuance of the War by Germany; the Statutory Black List; the Board of Trade proposal for something in the nature of a Metal Bank to counteract the great German combinations for dealing in metals; and the financial blockade.

The War Cabinet decided—

To appoint a Committee which, without prejudice to the effective continuance of the existing Economic Offensive, should consider the whole question, with a view to their recommendations being utilised as the basis of further consultations with the French and United States Governments. The Committee to consist of—

Sir Edward Carson, Chairman.
Mr. Barnes.
The Secretary of State for the Colonies.
The President of the Board of Trade.
The Minister of Blockade.
The Minister of Reconstruction.
Mr. Stanley Baldwin, Joint Financial Secretary to the Treasury.
Captain Amery, Secretary.

The War Cabinet decided that—

An announcement with regard to the appointment of this Committee, and so our consultation with our Allies, should be postponed until the Board of Trade had dealt with M. Clémentel’s proposal.

The War Cabinet further decided, with reference to the proposals contained in the Board of Trade memorandum (Paper G.-158), that—

The dye industry is to be regarded as a war industry for all purposes.

9. The War Cabinet had before them a memorandum by the Chief of the Imperial General Staff on the subject of Air Raids and Bombing of Germany (Paper G.T.-2231).

Attention was drawn to the following passage in paragraph 4:—

"Though we have been enabled to give Sir Douglas Haig sufficient machines to maintain a certain superiority in the air, he has not yet, by any means, received what he has asked for and what he ought to have. In June 1916 he asked for 53 squadrons to be completed by the spring of 1917. He is still
1 1/2 squadrons below that figure. In November 1916 he asked for 20 more fighting squadrons and 10 more bombing squadrons. None of these he has yet received. The necessity for pressing forward the output of aircraft, so as to meet these requirements, was several times brought to the notice of the War Cabinet some months ago—e.g., see proceedings of the 15th December, 5th March, 18th April, 8th May, and 14th June. As to the other theatres of war—Egypt, Mesopotamia, and Salonica—are each one squadron, and Lord French two squadrons, short of present requirements."

The Prime Minister pointed out that this seemed to imply some reflection either on the War Cabinet, the Air Board, the Ministry of Munitions or some other Department. He produced figures to show that the Air Board, since it had come into existence, had produced twice as many aeroplanes in nine months as the War Office had produced in the previous year, and that by the end of the present year the Air Board would have supplied three times the number that the War Office had produced in 1915.

The Chief of the Imperial General Staff stated that his memorandum was not intended to reflect on the Air Board or any other Government Department, but to set forth certain admitted facts and to assist in stimulating the output of aircraft, at the expense of some other service if necessary. Aircraft were, in his opinion, probably in the same position as other war material—for instance, we had not as many guns as we should like.

General Robertson said that he felt it to be his duty, when the War Cabinet were considering the policy of raids on German towns, to draw their attention to the fact—that they did not appear to be aware—that our Field-Marshal in France was short of machines.

With reference to the statement that Sir Douglas Haig is 1 1/2 squadrons short of the 53 he had asked for 18 months ago, Lord Cowdray pointed out that, although the fact was correct, this did not represent the whole case. Obsolete types had been discarded and more up-to-date machines substituted; and this fact, together with the absorption of a large proportion of new machines for training purposes, had prevented Field-Marshal Haig's demands being fully met.

General Henderson explained that the demands for home defence, Egypt, and Mesopotamia had also retarded the completion of the 53 squadrons. In regard to the statement that none of the 20 additional fighting squadrons and 10 bombng squadrons had been supplied, General Henderson explained that it was impossible to provide large quantities of additional material in less than a year. All Sir Douglas Haig's demands could have been met had it not been for the additional requirements both for the Expeditionary Force in France and for the other theatres mentioned above. Moreover, these additional requirements had been notified just at the time when the Air Board had the difficult task of deciding on the merits of three alternative powerful engines. Large quantities, however, of new aircraft of the latest type would be forthcoming during the winter.

In reply to an enquiry as to why, having regard to the largely increased output of machines this year, it had not been possible to meet the additional demands, Sir William Weir explained that a considerable part of the present year's output had been devoted to the replacement of obsolete material.

On the general question of the desirability of conducting raids on German towns, the Chief of the Imperial General Staff recapitulated the main objections to carrying out such a policy, at any rate at the present time, viz., the fact that our air forces at the front were engaged in a daily and desperate struggle to obtain air supremacy on the Western front; that any withdrawal of machines for the purpose of raids must endanger that supremacy; and that a
very strong justification was necessary for a policy of raids, so long as the season was favourable for Sir Douglas Haig's operations in Flanders. In this connection Lord Cowdray pointed out that, on the intervention of the War Cabinet, the Air Board had recently had an unexpected windfall owing to the retention in this country of fifty machines which had been promised to Russia; these machines, he suggested, could be utilised for long-distance raids without robbing the Expeditionary Force.

The Minister of Munitions stated that, so far as the future was concerned, he did not think the difficulty would be machines. It was, of course, possible that his Ministry might not be able to realise the full programme, but he anticipated that the output of aircraft, over and above the number required to replace wastage, would, by the middle of next year, give an aggregate of a considerable number of squadrons which could be allotted for long-distance offensives.

General Henderson pointed out that in winter the rate of wastage of machines was less than in summer months, but that the training of pilots in the winter season could not be completed as quickly as at other times of the year. In regard to the latter problem, however, efforts were being made to solve it by the establishment of aerodromes for training purposes in countries where the winter climate was more suitable.

Propaganda in Aerial Matters.

10. The Secretary of State for War informed the War Cabinet that he had received three communications from Lord Northcliffe stating that the extent to which the French and Italians were advertising the exploits of their airmen, and their respective aerial activities generally, was seriously impairing our own prestige in this respect in the United States, and was creating a false and unfortunate impression. Lord Derby stated that he proposed to take suitable steps to remedy this.

Inter-Ally Council.

11. Lord Curzon referred to the decisions of the War Cabinet at their meeting held on the 25th September, 1917 (War Cabinet 239, Minute 12), when it was agreed, inter alia, that the general scheme contained in his memorandum (Paper G.T.-2065) should be adopted, that the reply from the American Government in regard to the Chairman of the Inter-Ally Council should be awaited before any further action was taken, and that he should see Mr. Bonar Law in regard to the services of Mr. Austen Chamberlain. Lord Curzon reminded the War Cabinet that he had recommended that the three British representatives on the Council should be General Smuts (whose consent to serve had already been obtained), Lord Buckmaster, and Mr. Austen Chamberlain, the last named to act as Chairman of the British Priority Committee on the Council, and to be our chief representative.

Lord Curzon stated that the United States Government had now intimated their willingness to appoint a Chairman, and it only remained for the War Cabinet to select the other two British representatives.

After some discussion, in the course of which the names of various prominent members of the Liberal party were mentioned as possible alternatives to Lord Buckmaster, the War Cabinet decided that—

Lord Curzon's recommendations in regard to the British personnel on the Inter-Ally Council should be approved, Lord Curzon undertaking to draft for the Prime Minister letters to Lord Buckmaster and Mr. Austen Chamberlain respectively, inviting them to serve on the Council.

2, Whitehall Gardens, S.W.,
October 9, 1917.