WAR CABINET, 252.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on
Thursday, October 18, 1917, at 11.30 A.M.

Present:
The Prime Minister (in the Chair) (for Minutes 1 to 9).
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 Right Hon. A. BONAR LAW, M.P.
Lieutenant-General the Right Hon. J. C. SMUTS, K.C.B.
The Right Hon. Sir E. CARSON, K.C., M.P.

The following were also present:
The Right Hon. A. J. BALFOUR, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 7 to 9).
The Right Hon. the EARL OF DEROY, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 4 to 10).
The Right Hon. G. H. ROBERTS, M.P., Minister of Labour (for Minutes 4 to 6 and 10).
Sir D. J. SHACKLETON, K.C.B., Secretary, Ministry of Labour (for Minutes 4 to 5 and 10).
Sir W. COLLINS, Chairman, Conciliation and Arbitration Board (for Minute 9).
Mr. F. G. KELLAWAY, M.P., Parliamentary Secretary, Ministry of Munitions (for Minutes 4 to 6).
Sir A. C. GEDDES, K.C.B., Minister of National Service (for Minutes 2, 4 to 6 and 10).

Lieutenant-Colonel Sir M. P. A. HANKEY, K.C.B., Secretary.
Captain CLEMENT JONES, Assistant Secretary.
Captain the Hon. W. ORMSBY-GORE, M.P., Assistant Secretary.
Mr. THOMAS JONES, Assistant Secretary.
1. WITH reference to War Cabinet 248, Minute 12, the War Cabinet took note of the following decision by Lord Milner and Mr. Barnes in regard to the wages of skilled workers in the engineering and foundry trades (Paper G.T.-2282):

"That fully qualified skilled time-workers in the engineering and foundry trades should be granted an increase of 12½ per cent. upon their weekly earnings, provided that their wages equalled or exceeded the district time-rate payable to fitters and turners. Such increase to commence in the first full week after the 14th October, 1917. This increase shall not apply to men with upstanding wage or salary covering overtime."

2. Sir Edward Carson stated that he had received a message from Sir George Riddell to the effect that the situation in the South Wales coalfield was very serious, owing to the organised resistance of anti-war elements against any combing-out for military service of men engaged in the industry. A ballot was shortly to be held as to whether a strike should be called as a protest against the combing-out of fit men of military age who had entered the coal-mining industry for the first time since the outbreak of war.

Sir Auckland Geddes enforced the above statement, and stated that the situation required the most delicate handling. The mines represented the last remaining big pool upon which he could draw both for recruiting for the Army and for transferable labour.

It was pointed out that, in view of the paramount importance of this issue and the strength of the Government's case in regard to it, the desirability of facing a strike, if it could be confined to one locality, such as South Wales, should be considered, the example of the defeat of the Glasgow strikers in 1915 being instanced as in some ways a parallel case.

The War Cabinet understood that a request was being put forward by patriotic leaders in South Wales that General Smuts should address a war aims meeting somewhere in the coalfield, with a view to his encouraging those miners who remained patriotic and were doing their best to resist syndicalist and pacifist influence.

General Smuts expressed his willingness to address a meeting at Mountain Ash at an early date.

The War Cabinet decided that—

The Minister of National Service should make enquiries of the Admiralty with regard to their present reserve of Welsh coal, in order that an estimate might be formed as to how long it would be possible for the country to stand a strike in South Wales without incurring danger.

3. The War Cabinet had under consideration a letter addressed to the Prime Minister by the Archbishop of Canterbury (Paper G.T.-2272).

The War Cabinet decided that—

While it would be unwise for the Government to appoint a day of "humiliation and prayer," as had been suggested at an earlier stage, the Archbishop's new proposal, for the setting aside of a day for invoking the Divine blessing upon the deliberations and arms of the Allied Forces, was preferable, and suggested that the first Sunday in 1918 should be selected for this purpose.

It was agreed that it would be unnecessary for the Prime Minister to receive the suggested deputation upon the subject, and the Prime Minister undertook to discuss the question with
4. The War Cabinet had before them a Memorandum by Lord Milner and Mr. Barnes (Paper G.T.-2194 A) on the subject of the settlement of labour disputes involving increases of wages.

Lord Milner pointed out that cases had arisen whereby labour disputes had been settled by one Department in such a manner that other Government Departments were affected. He thought that it was absolutely necessary that in every case there should be one ultimate authority, such as the Committee on Production, who should deal with disputes the result of which was likely to affect a wider sphere of work than that which was under the immediate control of an individual Government Department. There was, for instance, the demand of the coal-mining industry that they should be treated in a water-tight compartment, thus making the miners a State within a State. If this principle were acknowledged, a decision in favour of one set of workmen prejudiced the issue in many other cases. Some form of centralisation was absolutely necessary.

Sir David Shackleton pointed out that unless some central authority were recognised it might be possible for employers and employees in a particular trade to come to some arrangement, involving a high cost to the State, which disregarded the national interest. The Ministry of Labour had no desire to interfere in the many small disputes of a local and subsidiary character, in the settlement of which any delay was most undesirable; but in all those questions of a wider character which involved increases of wage to large classes of labour it had now become essential, where State control of industries had been established, that the State, acting through some central authority, should be a party to any settlement.

Mr. Kellaway pointed out that the Ministry of Munitions had statutory powers under the Munitions Act to deal, inter alia, with the question of the wages of skilled workers.

Sir Lynden Macassey pointed out that very special and peculiar conditions related to work in His Majesty’s Dockyards, which must be decided by the Admiralty.

Both the Ministry of Munitions and the Admiralty were most anxious that all questions of this kind should be discussed with the Ministry of Labour, and that the Ministry of Labour should have the fullest opportunity of submitting their views to the Departments immediately concerned in the settlement of a dispute. Similarly, Departments concerned should have the right of entry to the Committee on Production, to be heard in connection with disputes referred to that body.

The War Cabinet approved the statement (Paper G.T.-2194 A) in principle, and left it to the Departments to arrange its application in detail with the Minister of Labour.

5. Sir Auckland Geddes stated that the Coal Controller and he had had a conversation about the recruiting of men engaged in coal mines. They were agreed that recruiting was purely a function for the Minister of National Service. In view of the possible dispute in South Wales, referred to in Minute 2, he asked for a Cabinet decision ratifying this agreement.

The War Cabinet decided that—

The recruiting of men from coal mines should be one of the functions of the Ministry of National Service.
6. With reference to War Cabinet 221, Minute 14, the War Cabinet had before them the following documents:

(a.) Memorandum by the Postmaster-General (Paper G.T.-2016).
(b.) Note by the Minister of Munitions (Paper G.T.-2118).
(c.) Memorandum by the Conciliation and Arbitration Board (Paper G.T.-1731).
(d.) Memorandum by the Ministry of Labour (Paper G.T.-1732).

The Postmaster-General pointed out that in 1906 internal Post Office unions had been recognised, and that a great danger existed if outside organisations, such as the Transport Workers' Federation, were recognised as in any way party to disputes affecting Postal servants. Should the Transport Workers' Federation be placed in a position to call out the Postal transport workers, the whole business of the country might be held up. The Postmaster-General read an extract from the Minority Report of a Royal Commission signed, among others, by Sir Henry Primrose and Sir Guy Granet, pointing out the danger of outside unions being admitted to disputes or agreements with Civil Servants. He added that the London County Council had recently decided not to recognise outside unions in dealing with their employees.

Dr. Macnamara pointed out that the Admiralty had admitted representatives of outside organisations as spokesmen only, and not as parties to any concessions made by the Admiralty to their employees. The Admiralty did not make arrangements or contracts with their employees, but only concessions.

Sir William Collins, M.P., Chairman of the Conciliation and Arbitration Board for Government Employees, thought that the method adopted by the Admiralty suggested a compromise which the Government could undertake with safety.

The Postmaster-General and the Ministry of Labour concurred in the view expressed by Sir William Collins, but the latter thought that the whole matter should receive further careful enquiry.

The War Cabinet decided that—

The terms of reference to the Conciliation and Arbitration Board for Government Employees should be amended to read as follows:

"Method of Procedure.—Any claim which may fall within the terms of reference shall be heard before the Board acting as a triplicate chairman, together with not more than three official representatives and not more than three representatives of the class of employees concerned or their associations, where such association exists. Provided that in all cases the employees concerned shall be at liberty to nominate as one of their representatives a person who is not a member of the class in question. Such a person shall not, however, be a signatory to any agreement arrived at by conciliation. The official representatives shall be appointed in cases where employees of only one Government Department are concerned—two by that Department and one by the Treasury. In other cases they shall all be appointed by the Treasury. In the first instance the official representatives and the employees' representatives shall endeavour to arrange the difference by mutual agreement, but should they fail to settle the matter by conciliation the case will be at once referred to the Board acting as Arbitrators, who may call for further evidence if they desire and give such other directions as they may think necessary for the proper decision of the matters in dispute."
7. The First Sea Lord reported that on the previous day two destroyers, the "Strongbow" and the "Mary Rose," while escorting the Scandinavian Convoy, had been attacked and sunk by two German light cruisers about sixty miles east of the Shetlands. After disposing of the escort, the enemy proceeded to attack the merchantmen in the convoy. Out of 8 of these merchantmen 3 had arrived undamaged at Lerwick, of which two were British; and of the remaining 5, from reports at present received it appeared that 4 were on fire and 1 was in a sinking condition. The other escorting craft of trawlers and a whaler were reported to have escaped. With regard to the loss of life, there were no survivors from the "Mary Rose"; 4 officers and 35 men had been saved from the "Strongbow," and 39 men from the merchantmen. At the time when it happened five British light cruiser squadrons were in the North Sea, and the First Lord pointed out that even if we had had notice of the enemy's coming, and had put out our maximum forces, we could not have been more ready to intercept the enemy.

The First Sea Lord showed on a chart illustrating the area of visibility of our cruisers, the difficulty of ensuring the interception of fast light cruisers on a dark night. It was probable that the enemy vessels were of a new type of light cruisers, with a speed of 34 knots; that is to say, 4 to 5 knots faster than any of our light cruisers. He reminded the War Cabinet that the Admiralty had always expected that sooner or later an attack would be made upon our convoys. It had also been recognised that the Scandinavian Convoy was the one most liable to be attacked. He drew attention to the fact that the Germans must have been very well informed of our route, and a telegram had been sent to Norway in regard to leakage of information. The Admiralty were considering the problem of the best method of securing the safety of the Scandinavian Convoy against further attacks of this kind, and he indicated the general lines on which this would be tackled.

The First Lord stated that this was the first occasion on which neutral ships had been sunk by surface craft without taking off the crews, which was a most serious breach of International Law.

The Secretary of State for Foreign Affairs pointed out that the moral effect in Scandinavia would be very bad.

The War Cabinet discussed the question of publication, and deferred a decision until the German communiqué was to hand.

It was decided—

In any case to publish the loss of our two destroyers, but that, in accordance with the usual practice, no publication should be made until the next-of-kin had been advised.

8. In the course of the discussion recorded in the previous Minute, attention was called to the comparison of American destroyers with British destroyers, and also to the comparison of the latest type of German light cruisers with British light cruisers. In both cases the British vessels compared unfavourably in some particulars, though not necessarily in all respects, with the latest foreign types.

9. With reference to War Cabinet 250, Minute 4, the Chief of the Imperial General Staff reported the receipt of a telegram from Sir Douglas Haig expressing the thanks of the British Armies in France and himself for the message of congratulation...
which had been sent him by the Prime Minister on behalf of the War Cabinet.

The Secretary of State for War undertook to arrange for the publication of Sir Douglas Haig's reply.

10. The War Cabinet had before them a Memorandum by Mr. Joseph Davies in regard to the proposed readjustment of the Port and Transit Executive Committee (Paper G.T.-2281).

Sir Norman Hill outlined the history and work of this Committee, of which he was now Chairman. Appointed two years ago, the Committee had worked smoothly until July of this year, when, at the request of the Executive Council of the National Transport Workers' Federation, the Labour representatives, including Mr. Harry Gosling, withdrew from the Central Committee and from all the local Port and Transit Committees, for reasons given in the Memorandum. A scheme had now been agreed by the Departments concerned and the Labour representatives whereby the Dock Labour representatives will rejoin the Central and Local Port and Transit Committees, and the National Union of Railwaymen will also co-operate. The new Committee will thus be fully representative.

Sir Auckland Geddes raised a cognate question in his Memorandum (Paper G.T.-2307) deprecating any extension of the system of military compelled labour, particularly in connection with the Transport Workers' Battalions. He pointed out the unfortunate effect which such a form of labour has on labour generally by arousing suspicions of indirect industrial compulsion.

Resistance to recruiting was spreading throughout the country; the case of South Wales had already been referred to (vide Minute 2 above), and there were other centres where the movement was developing. There was a widespread resentment caused by seeing a man who one day was in civilian clothes and a few days later reappeared in khaki at a lower rate of wages. The same principle applied to soldiers engaged in agriculture.

Lord Derby said he entirely agreed with what Sir A. Geddes had stated.

Sir Auckland Geddes requested that his Department might be represented on Sir Norman Hill's Central Committee, in view of the fact that it was to a great extent a Man-Power Committee.

The War Cabinet decided that—

(a.) The scheme for the readjustment of the Port and Transit Executive Committee (Paper G.T.-2281), which had been agreed to by all the Departments concerned, and Labour, should be adopted.

(b.) The National Service Department should be represented on the Central Committee and the Local Committees, provided that the other Departments expressed no objection.

(c.) The question of the principle of military compelled labour, in such forms as the Transport Workers' Battalions and Agricultural Companies, should be raised again by the Minister of National Service at an early date.

2, Whitehall Gardens, S.W.,
October 18, 1917.