WAR CABINET, 267.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, November 7, 1917, at 11.30 A.M.

Present:

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

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

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

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

The following were also present:

The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 1 to 14).

Major-General Sir G. M. W. Macdonogh, K.C.M.G., C.B., Director of Military Intelligence (for Minutes 1 to 14).


Vice-Admiral Sir R. E. Wemyss, K.C.B., C.M.G., M.V.O., Deputy First Sea Lord (for Minutes 1 to 14).


The Right Hon. the Lord d'Abernon, G.C.M.G., Central Control Board (Liquor Traffic) (for Minute 16).

The Right Hon. R. Munro, K.C., M.P., Secretary for Scotland (for Minute 15).

Mr. R. B. Greig, LL.D., Commissioner of the Scottish Board of Agriculture (for Minute 15).

The Right Hon. R. E. Prothero, M.V.O., M.P., President of the Board of Agriculture and Fisheries (for Minute 15).

The Right Hon. Lord Rhondda, Food Controller (for Minutes 15 and 16).

Mr. U. F. Wintour, O.B., C.M.G., Permanent Secretary, Ministry of Food (for Minute 15).

Mr. R. H. Carr, Ministry of Food (for Minute 15).

Lieutenant-Colonel W. Dally Jones, C.M.G., Acting Secretary.

Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Major L. Storr, Assistant Secretary.

Captain the Hon. W. Ormsby-Gore, M.P., Assistant Secretary.
1. THE Director of Military Intelligence reported that the only information he had to give, supplementary to Field-Marshal Sir Douglas Haig's commissique, was that during the latest operations on the Passchendaele Ridge we had captured up to date 43 prisoners, 1 gun, and 12 machine-guns. Our own casualties amounted only to 11 officers and 363 other ranks. The capture of Passchendaele and the adjoining villages was important, and constituted a good step forward. One small piece of higher ground in this locality still remained to be captured.

2. The Director of Military Intelligence stated that a telegram had been received that morning from Lord Cavan, who reported that it was difficult at present accurately to appreciate the situation. The position was undoubtedly anxious, but by no means desperate. The Italian Second Army was in a very bad state, but the others were recovering. In spite of the serious shortage of guns, Lord Cavan thought that, if the Italians really put up a fight, the line of the Piave could be held. Our own concentration could not be completed until the 20th instant, and the anxious time would be between the 15th and 22nd. If the Piave line fell the situation would be critical.

3. The Director of Military Intelligence reported that a telegram had been received from Lord Cavan regarding the point of concentration for the British reinforcements in Italy. Our own military representatives and General Cadorna had agreed on a certain locality, which the War Cabinet were asked to approve.

The War Cabinet decided—

To record their approval of the locality, so far as they were in a position to judge, but that it must be left to the Prime Minister to confirm that approval, and to communicate it to the Italian Government.

The Director of Military Intelligence was instructed to communicate this decision to the Prime Minister through the Chief of the Imperial General Staff.

4. The Director of Military Intelligence reported that the Italians had failed to hold the line of the Tagliamento, and that they had already retired a distance of some 20 miles from the river. The Third Army had placed rear-guards on the River Livenza, who, so far, were not being pressed by the enemy. The Second Army were on the left of the Third Army, and continued the Hue of the Livenza northwards. The Fourth Army was falling back from the Carnic Alps.

5. With reference to War Cabinet 264, Minute 2, the Director of Military Intelligence made the following report regarding the main decisions reached at the recent Conference in Italy:

(a.) That the Prime Minister had approved the despatch of two additional British Divisions to Italy, to be accompanied by 60-prs. and 6-inch howitzers, the whole British Force to be commanded by General Sir Herbert Plumer, whom the Prime Minister was to meet in Paris on his return journey;

(b.) That the situation was unquestionably grave, and that French and English assistance was certainly sorely needed, but to what extent it is impossible to say at present;
(c.) That General Foch and General Sir Henry Wilson should remain for the present at the Italian Headquarters in an advisory capacity;

(d.) That General Cadorna should relinquish the Supreme Command of the Italian Armies, and should come on to the Inter-Allied Advisory General Staff.

Russia.

6. The Director of Military Intelligence stated that General Knox had reported that it was probable that General Sherbacheff would succeed to the Chief Command of the Russian Army. General Sherbacheff had lately been commanding on the Roumanian Front. He was not a man of strong character, and was said to be entirely in the hands of the Committees.

Palestine.

7. Mr. Bonar Law informed the War Cabinet that a telegram had just been received from General Allenby to the effect that the second Turkish position at Tel-el-Sheria had been captured by our troops.

Publication of Salonic Despatch.

8. Lord Derby asked the approval of the War Cabinet to the publication of General Milne's last despatch from Salonic. He said that it had been examined very carefully at the War Office, who were satisfied that there was no objection to publication after two unimportant excisions had been made.

The War Cabinet sanctioned publication of the despatch in the amended form.

Submarines.

9. The Deputy First Sea Lord reported that the Special Service vessel "Puma" had been sunk, presumably by torpedo, in the Mediterranean.

Our Naval Attaché at Petrograd reported that the Russian submarine "Gepard" was now twelve days overdue, and it was feared that she had been lost.

A message from Stockton stated that a torpedo had been fired at the last vessel of a convoy, but had missed. The armed trawler "John Gillman" had fired one shot, and exploded mine-sweeps and two depth charges. A large quantity of oil had come to the surface.

German Warships in the North Sea.

10. With reference to War Cabinet 263, Minute 10, the Deputy First Sea Lord said that the Admiralty was still awaiting a further report regarding the attack on German warships in the Cattegat, which would be submitted as soon as the interrogation of the enemy prisoners had been completed.

The War Cabinet agreed that, if the later report confirmed the first estimate of enemy losses, it was desirable that a communiqué should be made to the Press demonstrating the inaccuracy of the German official report, which so far admitted the loss of the armed cruiser only.

Shipping Losses.

11. The First Lord of the Admiralty drew the attention of the War Cabinet to the fact that, while our losses from enemy submarines in September had been the lowest during the summer months, those incurred in October had been somewhat heavier. It was evident that the Germans, for political purposes, had made an exceptional effort in October. They had now fewer submarines operating than at any time during the last six months.
12. The First Lord said that he hoped that better results might shortly be achieved in the Mediterranean as regards anti-submarine defence, as the result of the new Allied organisation that had been set up at Malta under Admiral Calthrop.

13. The War Cabinet had under consideration a Memorandum (Paper G.T.-2419) by the First Lord of the Admiralty, as to the responsibility for the cost of establishing United States seaplane stations in Ireland.

The First Lord stated that he had raised this point with a view to a ruling being obtained as to the principle to be adopted in future cases of this nature, so that uniformity might prevail in the action taken by the Army and the Navy as regards the acquisition of land in the United Kingdom for the use of the forces of the United States, and the payment for the construction of buildings, &c., that might be put up by ourselves for the use of the Americans. He added that the United States representatives in this country appeared to be quite willing to pay for any works, as well as compensation for disturbance in the case of land that it may be necessary to acquire for that purpose.

The Secretary of State for War proposed that, as regards the acquisition of land, the existing procedure should be continued, namely, that the same should be obtained through the Land Department.

The First Lord concurred in continuing the present practice in this matter.

The War Cabinet decided that—

Any expenses that might be incurred as regards works and land should, in the first instance, be met from British Votes, the necessary recovery being afterwards made from the United States Government; further, that as regards the acquisition of sites, they should, so far as possible, be selected on untenanted land.

14. Mr. Barnes stated that there was a good deal of feeling in the Labour world regarding the claims and position of M. Skobeleff, the representative of the Russian Soviet about to visit the Western Allies, and that the British Labour Party were closely watching the situation. He had learned from M. Mantoux that it was conceivable that if the admission of a representative of the Soviet to an Inter-Ally Council was permitted, certain elements among the French Socialists would put forward a similar claim for representation. On the other hand, the Soviet was at the present moment most unpopular with the bulk of the French Socialists.

It was pointed out that the difficulty lay in the fact that the Foreign Office gathered that the Soviet representative might be put forward as a representative of the Russian Government.

The War Cabinet expressed a desire to learn the views of the Secretary of State for Foreign Affairs upon the matter at an early date.

15. With reference to War Cabinet 257, Minute 11, the War Cabinet had before them a Memorandum by Lord Rhondda (Paper G.T.-2517) and a Memorandum by the Secretary for Scotland (Paper G.T.-2416).

Lord Rhondda stated that very careful consideration had been given to what had proved to be a most difficult problem concerning both the method of carrying out the Prime Minister's promise to the growers of a guaranteed price of 61. per ton free on rail or on board, and the disposal of the surplus potato crop, which amounted
approximately to 2,000,000 tons over and above the anticipated ordinary requirements for human consumption. He recommended that alternative (D) (referred to in G.T.-2517)—which provided for the abolition of a minimum price and the payment to the grower of the difference between what he received and 6t. a ton—should be adopted, although he recognised that this would involve the Exchequer in considerable loss. Lord Rhondda much regretted that, in his opinion, it was impracticable for the Government to purchase the entire potato crop, or even the entire surplus, without the establishment of a new and very large organisation, which could not be formed in time to deal with the matter this autumn. Scheme (D) allowed for purchases by the Government, and he hoped that prices might be obtained next spring, for the Government purchases to be made now, which would diminish the loss on the Exchequer. Lord Rhondda stated that the amount, which he estimated at about 5,000,000l., would largely be expended in the form of subsidies to the growers in Ireland and Scotland; very little would go to England.

Mr. Wintour pointed out that, altogether apart from the question of price and purchase, there was the question of the disposal of the surplus. The manufacture of flour or alcohol from potatoes was a costly process, and with potatoes at 6t. per ton was not a commercial proposition; it would therefore be impossible to dispose of the surplus without loss to the Exchequer.

Mr. Duke stated that Scheme (D) would be difficult to justify on purely economic grounds, and undoubtedly Ireland would receive the principal benefit under the scheme. He feared that with potatoes at 6t. per ton, Irish pig breeders and pig feeders would use grain rather than potatoes for their purposes. He drew attention to the existence of a big potato-buying association in the North of Ireland, and understood that the Ministry of Food were already in communication with them with a view to effecting purchases. He thought this association might be able to deal with nearly the whole of the Irish surplus.

Mr. Prothero agreed that, under the existing circumstances, Scheme (D) probably afforded the best way of dealing with the matter, although he had been in favour of purchasing the crop, and, in a general way, with the recommendations put forward in the Memorandum by the Secretary for Scotland.

The Secretary for Scotland, while, from the point of view of simplicity and cost, preferring his own scheme, concurred generally with Mr. Prothero.

The Chancellor of the Exchequer expressed the hope that if Scheme (D) were approved, Lord Rhondda, subject to there being no wastage in our food supply, would do all in his power to lessen the loss to the Treasury.

Lord Rhondda stated that this was his intention.

The War Cabinet decided—

To accept Scheme (D), on the understanding that the Food Controller would do his utmost, by purchases and re-sale at a suitable time, to reduce the demand on the Treasury.
Lord D'Abernon was opposed to the issue from bond of further spirit or any of the heavier wines, but not to the release of certain light wines, based on the principle of alcoholic strength.

The War Cabinet decided that—

There should not be any increase as regards the amount of spirit to be released, but that, as regards wines, the Food Controller and the Chairman of the Central Control Board should, after consultation with the Secretary of State for Foreign Affairs, submit proposals as to a further release from bond of such wines as they might think desirable.

17. With reference to the Memorandum (Paper G.T.-2490) by the Foreign Office, relative to the purchase of Dutch produce, &c., the War Cabinet decided that—

The following Committee, consisting of—

Lord Milner (in the Chair),
Lord Rhondda,
Lord Robert Cecil,
Mr. Stanley Baldwin,

should enquire into the matter and forward their recommendations to the War Cabinet.

18. The War Cabinet had a brief discussion on the opinion of the Law Officers of the Crown (G.-165) on the legality of certain acts done under the Defence of the Realm Regulations, and decided to defer taking any action until the Law Officers of the Crown could be present.

2, Whitehall Gardens, S.W.,
November 7, 1917.