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C.M. (47)

58th Conclusions

CABINET 58 (47)

*CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1, on Tuesday, 1st July, 1947, at 11 a.m.*

Present :

- |   |   |
|---|---|
| The Right Hon. C. R. ATTLEE, M.P., Prime Minister ( <i>in the Chair</i> ).  |   |
| The Right Hon. HERBERT MORRISON, M.P., Lord President of the Council.       | The Right Hon. ARTHUR GREENWOOD, M.P., Minister without Portfolio.                                  |
| The Right Hon. HUGH DALTON, M.P., Chancellor of the Exchequer.              | The Right Hon. Sir STAFFORD CRIPPS, K.C., M.P., President of the Board of Trade.                    |
| The Right Hon. VISCOUNT JOWITT, Lord Chancellor.                            | The Right Hon. J. CHUTER EDE, M.P., Secretary of State for the Home Department.                     |
| The Right Hon. VISCOUNT ADDISON, Secretary of State for Dominion Affairs.   | The Right Hon. J. WESTWOOD, M.P., Secretary of State for Scotland.                                  |
| The Right Hon. A. CREECH JONES, M.P., Secretary of State for the Colonies.  | The Right Hon. THE EARL OF LISTOWEL, Secretary of State for India and Secretary of State for Burma. |
| The Right Hon. G. A. ISAACS, M.P., Minister of Labour and National Service. | The Right Hon. E. SHINWELL, M.P., Minister of Fuel and Power.                                       |
| The Right Hon. T. WILLIAMS, M.P., Minister of Agriculture and Fisheries.    | The Right Hon. GEORGE TOMLINSON, M.P., Minister of Education.                                       |

The following were also present :

- |   |   |
|---|---|
| The Right Hon. VISCOUNT HALL, First Lord of the Admiralty ( <i>Items 4-5</i> ).             | The Right Hon. F. J. BELLENGER, M.P., Secretary of State for War ( <i>Item 4</i> ). |
| The Right Hon. P. J. NOEL-BAKER, M.P., Secretary of State for Air ( <i>Items 4-5</i> ).     | The Right Hon. JOHN WILMOT, M.P., Minister of Supply ( <i>Item 4</i> ).             |
| The Right Hon. ALFRED BARNES, M.P., Minister of Transport ( <i>Items 4-5</i> ).             | The Right Hon. JOHN STRACHEY, M.P., Minister of Food.                               |
| The Right Hon. LEWIS SILKIN, M.P., Minister of Town and Country Planning ( <i>Item 4</i> ). | The Right Hon. LORD NATHAN, Minister of Civil Aviation ( <i>Item 5</i> ).           |
| The Right Hon. C. W. KEY, M.P., Minister of Works ( <i>Item 5</i> ).                        | The Right Hon. HECTOR MCNEIL, M.P., Minister of State ( <i>Items 1-2</i> ).         |

*Secretariat.*

Mr. W. S. MURRIE.  
Mr. S. E. V. LUKE.

## CABINET 58 (47)

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**Egyptian  
Sterling  
Balances.**

1. *The Chancellor of the Exchequer* said that, after prolonged and difficult negotiations, a temporary agreement had been reached on the Egyptian sterling balances, which would cover the position until 31st December, 1947. The Egyptian Delegation had claimed that the total of the Egyptian sterling balances amounting to £400 million should be recognised, but he had made it clear that this figure was not accepted by the British Government and had suggested that, in view of the protection afforded by British arms to Egypt during the war, it was for the Egyptian Government to put forward proposals for an equitable settlement. It had eventually been agreed that for the present £360 million of these book debts would be blocked. It had also been agreed that we should release £8 million at once for Egypt's current needs; while, on the other hand, the Egyptian Government would meet certain outstanding sterling obligations. It was greatly to our advantage that Egypt would now leave the sterling area, with the result that her currency would become subject to our exchange control regulations; and time had been gained for the two Governments to explore further the prospects of reaching agreement on a long-term settlement of the question of sterling balances.

**The Cabinet—**

Took note, with approval, of the statement made by the Chancellor of the Exchequer.

**Dominions  
Office.**

**Change of  
Title.**

2. *The Prime Minister* said that it was proposed that the titles of the Secretary of State for Dominion Affairs and the Dominions Office should be changed to "the Secretary of State for Commonwealth Relations" and "the Commonwealth Relations Office" respectively. This proposal had been warmly welcomed by the Dominion Governments, and the new titles would also be more acceptable to the Indian Governments after the transfer of power. The changes would be announced in Parliament immediately.

**The Cabinet—**

Took note, with approval, of the Prime Minister's statement.

**Iron and Steel  
Industry Bill.**

(Previous  
Reference:  
C.M. (47) 57th  
Conclusions,  
Minute 5.)

3. *The Prime Minister* informed the Cabinet that, in accordance with their decision of 26th June, he had asked the Lord President and the Minister of Supply to undertake further discussions with representatives of the Iron and Steel Federation.

**Land Require-  
ments of the  
Service  
Departments  
and the  
Ministry of  
Supply.**

4. The Cabinet had before them a memorandum by the Prime Minister (C.P. (47) 184) reporting the conclusions reached by the Defence Committee on the proposals of the Service Departments and the Ministry of Supply with regard to the use of land for training and other purposes, and covering a draft White Paper dealing with these proposals.

*The Minister without Portfolio* said that the needs of the Armed Forces and the Ministry of Supply had been examined in the first instance by the Committee on Services Land Usage, whose conclusions had been broadly accepted by the Defence Committee. The possibility of reducing the amount of land required in the United Kingdom by training the Armed Forces overseas had been examined, and there had been a special enquiry into the extent to which training might be carried out in the more remote areas of

Scotland and Northern Ireland. It had not been possible by these expedients to reduce the demands of the Service Departments for land in England and Wales, but arrangements for the intensive and continuous use of particular areas and for joint user by two or more Services had enabled the original requirements of the Service Departments to be scaled down from about 1,100,000 to about 800,000 acres. The draft White Paper had been revised on the lines suggested by the Defence Committee and, as a result of a visit which he and other Ministers concerned had paid to the Thetford and Stanford training areas, where the Forestry Commission had important interests, satisfactory arrangements had been made to meet the essential needs of forestry. This visit had convinced him that throughout the country there should be closer contact between the military authorities and local officials of the Departments concerned, and arrangements were being made for this.

*The Lord President* said that the area of 800,000 acres to be used for training purposes represented a very heavy call on the available land in the United Kingdom. He realised that, so far as possible, the Services would avoid interference with agriculture, but the effect of their demands on the land available to the public for recreation would be considerable, and he feared that when the White Paper was published there would be a storm of protest which would force the Government to modify the proposals. Would it not be possible to postpone taking some of the land at least so long as Army training could be carried out in Germany?

*The Secretary of State for War* said that he was satisfied that the amount of land required by the Army could not be reduced to any appreciable extent. The Army schools of instruction must be located in this country and though training with units could be carried out in Germany for the next few years, we should eventually have to rely on training areas in the United Kingdom. The process of acquisition was a slow one and it was vital that the War Office should at an early date be given sanction to proceed with their proposals. About 270,000 acres of the land required by the War Office were in existing War Office estates, and the use for training of much of the land proposed to be taken would not be incompatible with giving the public access to this land or even with its use for agriculture or forestry. The additional land which the Services required would be taken over a period of years and each proposal would be subject to a public local enquiry if objections were raised on grounds of public interest.

In further discussion a number of Ministers supported the views expressed by the Lord President and there was general agreement that the form in which the requirements of the Services were presented in Part VIII of the draft White Paper was unsatisfactory. Thus, the reader was given an initial impression that 800,000 acres of land would be completely withdrawn from other uses for training purposes, and would be apt to overlook the fact that over much of the area the use of land for training would not be incompatible with its use for agriculture or forestry or with the retention of the right of public access to it. Again the draft did not sufficiently bring out the fact that little disturbance and deprivation would be caused by the use of many of the individual sites included in the area of 314,700 acres required for purposes other than training. A truer picture would be given by dealing with the requirements of each of the Services separately and by putting in the forefront an explanation of the limited extent to which the use of much of the land required for training would affect its use for other purposes. For example, the White Paper should emphasise that the needs of the Services would affect only 106,000 acres of arable land, of which no more than 60,000 acres would be lost to cultivation; that all but 75,000 of the 505,000 acres of land classified as fit for grazing would remain available for that purpose; and that the public would retain the right of access to much of the land used for training. The White Paper might also explain how far the Services had been able to avoid taking common land situated in the immediate neighbourhood of thickly

populated areas, and it would be useful to bring out the fact that a good deal of the land required by the Services was in areas such as Salisbury Plain and Shoeburyness, the use of which for military purposes had long since been accepted.

Other points in discussion were:—

(a) *The Chancellor of the Exchequer* suggested that paragraph 46 of the draft White Paper, which dealt with cases in which it was impossible to implement pledges of reinstatement, should be redrafted in consultation with the Treasury. It was important to avoid the implication that persons who could not be reinstated would not receive compensation apart from any special arrangements made under this paragraph. In fact many such persons would be entitled to compensation under the Compensation (Defence) Act or the Acquisition of Land Act as amended by the Town and Country Planning Bill.

(b) *The Minister of Agriculture and Fisheries* suggested that it would be desirable to point out in paragraph 46 that, if the Government were to refrain from the use of a particular training area because a pledge of reinstatement had been given, they would be compelled to displace persons from some other area, which might well involve greater hardship.

(c) It was suggested that Departments were not always given adequate notice of proposals for the acquisition of land by Service Departments. For example, the Board of Trade had learnt only at a very late stage of a proposal to acquire land containing valuable clay deposits.

*The Minister of Town and Country Planning* said that all proposals were considered by an official committee containing representatives of the Departments mainly concerned. He would, however, take steps to ensure that in future advance notice of all proposals was sent to all Departments which might have any interest in land which it was proposed to acquire.

(d) It was important that the Services should avoid, so far as possible, retaining possession of land and buildings without making use of them.

The Cabinet—

- (1) Approved in principle the proposals in C.P. (47) 184 for the use by the Service Departments and the Ministry of Supply of land for training and other purposes;
- (2) Invited the Lord President, in consultation with the Minister without Portfolio and the Chancellor of the Exchequer, to arrange for the draft White Paper annexed to C.P. (47) 184 to be revised on the lines suggested in discussion, and agreed that the revised draft should be circulated to the Cabinet.
- (3) Invited the Minister of Town and Country Planning to ensure that all interested Departments were notified in good time of any proposals made by the Service Departments for the acquisition of land for training purposes.

**Aerodromes  
in the United  
Kingdom.**

5. The Cabinet had before them a memorandum by the Secretary of State for Dominion Affairs (C.P. (47) 168) reporting the conclusions reached by the Civil Aviation Committee on a programme drawn up by the Minister of Civil Aviation for the establishment of aerodromes in the United Kingdom outside the London area.

*The Secretary of State for Dominion Affairs* said that the Civil Aviation Committee were satisfied that the proposals of the Minister of Civil Aviation, which were set out in detail in the Annex to C.P. (47) 168, could be accepted as a working programme. The aim had been to select pre-war or war-time aerodromes and to secure joint user with the Service and Supply Departments, and only six entirely new sites were required. Apart from these new sites, it

was proposed to acquire and convert for civil use some 59 existing aerodromes, 17 of which were already owned in whole or in part by the State, while 31 were on requisitioned land and 11 under private or municipal control. The Committee agreed that priority should be given to the development of seven aerodromes required for direct services to the Continent and that, in the development of other aerodromes, priority should be given to those required for internal air services which were necessary because of the lack of other means of communication or commercially justified by existing or prospective demand. The estimated total cost of the programme was £37 million and the rate at which it could be carried out would depend on the extent to which at any given time resources could be devoted to this purpose. The Committee had specially considered the question of the choice of a site for the Bristol civil airport. The original intention had been that this airport should be situated at Filton, where considerable expenditure had been incurred on the construction of a runway for the Brabazon I aircraft, but the Committee were satisfied that, for the reasons given in Appendix V to the memorandum annexed to C.P. (47) 168, an alternative site at Lulsgate Bottom would be preferable.

*The Chancellor of the Exchequer* said that the proposals of the Minister of Civil Aviation must be regarded as a long-term plan, the execution of which would depend upon the available resources of money and of men and materials. After discussion with the Minister of Civil Aviation, he had agreed to his proposal to make an announcement on the lines of the statement in Appendix IV to the memorandum annexed to C.P. (47) 168, subject to the omission of the references to Exeter, Grimsby, Lossiemouth and Norwich, and on the understanding that the Minister would consult him about any proposed public references to places and aerodromes contained in Appendix I but not referred to in the proposed announcement.

In further discussion the following points were made:—

(a) It should be clearly recognised that the carrying out of the proposed programme would be a gradual process. Thus, it was estimated that the constructional work involved would require 60,000-man years, whereas for the period up to March 1948 the building labour allocated to the Ministry of Civil Aviation for all purposes did not exceed 3,000 men.

(b) *The Minister of Civil Aviation* undertook to consider the possibility of developing an air service from the West of England to Ireland with a stop at Anglesey.

(c) It was important that everything possible should be done to impress on those responsible for the management of the aerodromes and for the running of air services the need for securing economies in operation and for making air travel more attractive by eliminating delays and inconveniences.

(d) *The Secretary of State for Scotland* drew attention to the importance of reaching an early decision on the proposals for the development of the aerodrome at Prestwick. The delay in settling the plan of the aerodrome was holding up the planning of the area and the work of providing new houses.

(e) *The Minister of Agriculture* pointed out that there had been no prior consultation with the Ministry of Agriculture on a proposed road diversion which would be consequential on the use of Lulsgate Bottom as the Bristol airport and would entail the loss of good agricultural land.

The Cabinet—

- (1) Authorised the Ministry of Civil Aviation to treat the aerodromes and sites listed in Appendix I to the memorandum annexed to C.P. (47) 168 as a working programme;
- (2) Agreed that priority should be given to the development of seven aerodromes required for direct services to the

Continent and that the rate at which the programme should be carried out should be determined in consultation with the Treasury and the Investment Working Party;

- (3) Approved the proposal to develop Lulsgate Bottom as the main civil airport for Bristol;
- (4) Subject to the modifications agreed on with the Chancellor of the Exchequer, authorised the Minister of Civil Aviation to make a public announcement of his plans in the terms of Appendix IV to the memorandum annexed to C.P. (47) 168.

#### India.

Constitutional  
Changes.

(Previous  
Reference:  
C.M.(47)57th  
Conclusions,  
Minute 4.)

6. *The Prime Minister* informed the Cabinet that he had now discussed the terms of the draft Indian Independence Bill with the Opposition leaders. The only criticism of substance which they had made related to the title of the Bill, which, in their view, suggested that the Indian successor States were being granted independence outside the British Commonwealth.

In discussion there was general agreement that there were no grounds for modifying the proposed title of the Bill, which would be acceptable both to the existing Dominions and to Indian opinion, as indicating and confirming the real nature of Dominion status. It was felt, however, that special pains ought to be taken to explain the implications of the title and, as not less than a week would have to elapse between the publication of the Bill and its Second Reading in the House of Commons, it was suggested that it would be advisable for the Prime Minister to hold a Press Conference immediately before the publication of the Bill, at which he could explain fully its purpose and meaning.

*The Secretary of State for Dominion Affairs* said that it was desirable that the Bill should reach the House of Lords as soon as possible and, in any event, not later than the last week in July.

The Cabinet—

- (1) Took note that the Prime Minister would hold a Press Conference on the Indian Independence Bill on the day of its publication;
- (2) Invited the Lord President and the Secretary of State for Dominion Affairs to consider what arrangements might be made to enable the Bill to reach the House of Lords as soon as possible.

#### Burma.

(Previous  
Reference:  
C.M.(47)53rd  
Conclusions,  
Minute 4.)

7. *The Prime Minister* informed the Cabinet that it had not proved possible, in the discussions with the Burma Goodwill Mission, to secure their agreement to the proposal that power should be transferred in Burma on the basis of the grant of Dominion status. The members of the Mission would themselves have been in favour of Burma's remaining within the British Commonwealth, but they had made it clear that they saw no prospect that either their own supporters or Burmese opinion generally could be brought to accept anything less than independence outside the Commonwealth. The Mission had been informed that His Majesty's Government could not agree to the grant of Dominion status to Burma merely as a device for expediting the transfer of power, and they had not pressed this suggestion.

The Cabinet—

Took note of the Prime Minister's statement.

R.