CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1,
on Monday, 25th August, 1947, at 2.30 p.m.

Present:

The Right Hon. C. R. ATTLEE, M.P., Prime Minister (in the Chair).
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. Sir STAFFORD CRIPPS, K.C., M.P., President of the Board of Trade.
The Right Hon. J. CHUTER EDE, M.P., Secretary of State for the Home Department.
The Right Hon. G. A. ISAACS, M.P., Minister of Labour and National Service.
The Right Hon. ANEURIN BEVAN, M.P., Minister of Health.
The Right Hon. ERNEST BEVIN, M.P., Secretary of State for Foreign Affairs.
The Right Hon. HUGH DALTON, M.P., Chancellor of the Exchequer.
The Right Hon. A. V. ALEXANDER, M.P., Minister of Defence.
The Right Hon. THE EARL OF LISTOWEL, Secretary of State for Burma.
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. ALFRED BARNES, M.P., Minister of Transport.
Mr. IVOR THOMAS, M.P., Parliamentary Under-Secretary, Colonial Office (Item 2).

Secretariat:
SIR NORMAN BROOK.
Mr. S. E. V. LUKE.
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CABINET 74 (37)

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The Lord President said that the National Coal Board and the National Union of Mineworkers had failed to reach agreement on the method of securing increased working hours in the coalmining industry during the economic emergency and, in pursuance of the Cabinet's decision of 17th August, he had arranged to discuss the position with the Executive of the Union at a meeting on 21st August. He had been accompanied at that meeting by the Foreign Secretary, the Minister of Defence and the Minister of Fuel and Power. The Union had rejected the proposal for lengthening the working day by half an hour, and had proposed the alternative of Saturday working. They were willing to agree that every pit should work a shift of 6½ hours each Saturday during the emergency; but they were not prepared to accept the condition that the attendance bonus should be payable only to men who had worked, when required, six full shifts in the week. As an alternative to that condition, they had suggested that pit managers should have discretion to refuse to admit to Saturday work men who had absented themselves from work without due cause on any earlier day in the week. Ministers had felt bound to reject that alternative, as it was likely to lead to friction and possibly to stoppages of work. They were satisfied that, if recourse was to be had to Saturday working, full attendance could not be secured unless the conditions for payment of the attendance bonus were applied to the six-day week as they now applied to the five-day week. Thus, in spite of protracted discussion, the meeting on 21st August had broken up without any agreement being reached on the method of increasing working hours during the emergency.

The Lord President said that the Executive of the Union were still considering the position and, from information which he had received, he thought it might be helpful if a letter were now sent to them stating that the Government still favoured the proposal of extending the working day by half an hour.

The Minister Fuel and Power said that, although a substantial number of the members of the Executive of the Union might favour the proposal for an extra half-hour, he doubted whether this reflected the balance of opinion in the coalfields. He doubted whether the miners would be willing either to work the extra half-hour or to agree to Saturday working on the basis proposed by the National Coal Board. The best hope of securing increased output lay, in his view, in persuading the miners to implement the agreements, already accepted by the Union, for increasing stints, removing restrictive practices, and reducing absenteeism.

In discussion there was general agreement that, if recourse was to be had to Saturday working, the Government must insist that the attendance bonus should be conditional on working the full number of six shifts a week where required under the new arrangements. It was desirable that the Government should confirm the line taken on this point by the Ministers who had interviewed the National Executive on 21st August.

Further discussion turned on the question whether the Government should also express their preference for the alternative method of preserving the five-day week and lengthening the daily shift to eight hours. It was recognised that in some pits no increase in output could be secured by working an extra half-hour a day; but there were many pits where the extra half-hour would increase output, especially if agreement were reached on the lengthening of the stints. The balance of advantage seemed to lie on the side of pressing for the extra half-hour, on the understanding that this was suggested as an emergency measure for the next nine months and would not be continued thereafter without further consultation with the Union.

The Cabinet—

Invited the Minister of Fuel and Power to send a letter to the Secretary of the National Union of Mineworkers confirming the views expressed by Ministers at the meeting with the Union's representatives on 21st August, and
adding that, after reviewing the whole matter, the Government still adhered to the view that their original proposal for adding an extra half-hour to the working day would be the most effective method of increasing coal output during the present economic emergency.

2. The Cabinet had before them memoranda (noted below) on a number of suggestions, which had been put forward at an informal meeting of Ministers on 20th August, for further adjustments in the national economy following the decision to limit the convertibility of sterling.

The Chancellor of the Exchequer said that the immediate effect of this decision had been less serious than had been feared; and none of the countries from which we drew substantial imports had so far proved intransigent. The latest figures of drawings on the United States Credit were $17 million on 21st August and $21 million on 22nd August; and the estimated drawings for Monday, 25th August, were $54 5 million. The Mission to Washington deserved great credit for the skill with which they had handled the negotiations and, in particular, for their success in persuading the United States Government to accept formal notification of our intention to draw a further $150 million on 29th August. This would leave $400 million of the Credit on which, in accordance with our promise in the exchange of letters with the Secretary of the United States Treasury, no further drawings would be made pending further consultation between the two Governments.

The position regarding Canada and the Argentine was at present uncertain; discussions had been opened with the Canadian Government with the object of securing their agreement to our drawing on the residue of the Canadian Credit at a greater rate than hitherto, but he had not yet had a report on the Canadian Government’s attitude. First reports from the Argentine were not unhopeful; it seemed likely that that Government would be ready to continue supplies of meat and would not propose any variation in the terms of the Railway Transfer Agreement. As regards the sterling area, all the Governments concerned had been pressed to reduce their dollar claims to a minimum, and it seemed likely that their response would be satisfactory. Representatives of Australia and India were due to visit London in September for the annual meeting of the International Monetary Fund and Bank; and he proposed that New Zealand and Eire should be invited to send representatives to London at the same time. There would be no objection to making public the intention to hold such discussions once the necessary arrangements had been made. In addition, there would be opportunity in September for discussions in London with the Secretary of the United States Treasury. In general, he hoped the Cabinet would agree that the Government should take a strong line in resisting attempts by countries other than United States dollar countries to obtain payment in dollars in respect of imports to this country.

The Cabinet were in general agreement with the Chancellor of the Exchequer on this point, and with his suggestion that the New Zealand and Eire Governments should be invited to send representatives to London for discussions in September.

The Chancellor of the Exchequer then handed round copies of a note summarising the effect on our balance of payments of the various measures authorised or proposed. This showed that the monthly savings which would be secured by the decisions announced by the Prime Minister in the House of Commons on 6th August and by the further proposals contained in the various memoranda now under consideration by the Cabinet would amount to £26 1 million. As regards trade with the American continent, however, it was estimated that between mid-1947 and mid-1948 the deficit between imports and exports would be approximately
£800 million. Under the conditions existing up to 20th August that deficit would have been wholly in dollars; and until negotiations had taken place with the Governments of Canada, the Argentine and other South American countries it was impossible to say whether or to what extent we should persuade these countries to sell us goods in future for sterling. The nearer we could get to attaining a balance of payments, the greater the likelihood that countries would accept sterling.

The Cabinet then discussed future export policy.

The President of the Board of Trade said that a review of the export programme of each industry had recently been completed; this had shown that exports should reach by the middle of 1948 a level of 140 per cent. of the 1938 figure. In view of recent developments, however, he was considering the possibility of expediting this programme with a view to reaching the target of 140 per cent. by the end of 1947. He hoped it would be possible to submit a report on this question to the Cabinet in about a fortnight. He proposed to set up a committee, under the chairmanship of the Secretary for Overseas Trade, to keep the export programme continually under review; and he also had in mind the appointment of a Chief Executive with general responsibility for the carrying out of the export programme. It should not, however, be overlooked that, in order to achieve the agreed export targets, substantial reductions would have to be made in domestic investment projects and in the provision of consumer goods for the home market. As against this, an increase of exports to 160 per cent. of the 1938 figure would mean that the gap between our imports and exports had been bridged.

The Minister of Health said that there would be general agreement about the need to diminish our dependence on the United States. He thought, however, that it would be inadvisable to adopt equally drastic measures in an attempt to secure a balance of payments with the non-dollar countries. Our object must be to expand our trade with them to the maximum extent possible, and the application to them of measures suitable for the United States would have the opposite effect. In these circumstances considerable risks should be taken to revive trade, even if this involved acquiescence in an adverse balance of trade for a year or two. Great attention would have to be paid to the most effective direction of exports. He would not oppose such reductions in the domestic capital investment programme as might be shown to be necessary and effective; but these should be presented to the public, not merely as negative cuts, but as a redeployment of the nation's productive effort rendered necessary by the present economic situation.

The Minister of Fuel and Power said that this country could not avoid a continuing dependence on the United States. He thought it would be a mistake to try to secure an immediate expansion of exports at the expense of the much-needed capital re-equipment of this country. At any rate, the Cabinet should have an opportunity to consider the implications of such a diversion before final decisions were taken.

The Prime Minister said that in all recent public statements the Government had emphasised the fact that our financial difficulties must be met partly by increasing exports, partly by reducing imports and partly by the increased production of food and other products which would otherwise have to be imported from hard-currency areas. It was necessary to maintain a proper balance between these three aspects of the Government's policy.

The Cabinet then considered a note by the Secretary of the Cabinet (C.P. (47) 234) covering an exchange of minutes between the Prime Minister and the Minister of Food on cuts in food consumption, and a memorandum by the Minister of Food (C.P. (47) 239) on the considerations which should govern changes in basic food rations.
The Minister of Food said that in C.P. (47) 239 he had made certain proposals for reducing food consumption, in addition to the reduction in the monthly allotment of points from 32 to 28 which had already been made. His proposals were as follows:

(i) A reduction should be made in the supplies of the principal rationed foods to commercial catering establishments;
(ii) The period during which a guest might stay at a hotel without surrendering his ration book should be reduced from four nights to one;
(iii) The meat ration should be reduced from 14th September from Is. 2d. to Is.;
(iv) The tea ration should be maintained at the present reduced level of 2 oz. a week; and
(v) The importation of certain luxury foods should be prohibited.

He also suggested that the gravity of the economic situation might be effectively brought home to the public by an increase in the price of certain heavily subsidised rationed foods. Thus, an increase of 2d. a pound in the price of tea and sugar would save £23 million and would to that extent relieve the inflationary pressure on other commodities. As regards the future, preparations were in hand against the contingency of further serious cuts in our basic rations. Consultations had been held with the Trades Union Congress Rationing Committee with a view to working out an acceptable system of differential rationing. He had been advised by two nutritional authorities that, if further reductions in the basic rations became necessary, it would be necessary to bring bread rationing to an end. He would submit recommendations to the Cabinet on this point in September.

In discussion, the following points were made:

(a) The Minister of Food undertook to consider re-imposing the price control on game;
(b) It was the general view of Ministers that the period for which guests might stay in hotels without surrendering ration books should be reduced to two nights rather than one;
(c) The Prime Minister suggested that a limit should be placed on the numbers of guests at public luncheons and dinners;
(d) The Minister of Food said that he had proposed that the existing scale of allowances for catering establishments should be reduced by (i) a cut of 20 per cent. in all rationed and points foods except bread and cooking fats; or (ii) a cut of 25 per cent. in the meat, bacon, ham, cheese and points foods. These proposals had been strongly resisted by the catering trade, but there seemed some prospect that agreement might be reached on reductions of 15 per cent. and 17½ per cent. in place of the percentages he had originally proposed. He thought it might be advisable to decide on reductions which would be accepted by the trade. In addition, he suggested that the cheap catering establishments (i.e., those which did not charge more than 2s. 3d. for any meal) should be exempted altogether; for the imposition of the proposed reductions on these establishments would affect many workers who had no canteen facilities.

The Cabinet endorsed these proposals.

(e) It was considered that the proposed reduction in the meat ration should take effect earlier than 14th September, e.g., if possible, from 1st September.
(f) The Minister of Food said that he was consulting the Chancellor of the Exchequer about the prohibition of the import of certain luxury foods. An important saving could be achieved by the reduction of imports of French wines, and he would consult the Foreign Secretary also on this point.
(g) The Chancellor of the Exchequer said that he accepted the views of the Minister of Food on the need for increasing the price of certain subsidised rationed food-stuffs. He thought it would be better tactics to make gradual reductions from time to time rather than to attempt any spectacular cut in food subsidies.

The Foreign Secretary thought that, in addition to the suggestions made by the Minister of Food, the price of bread should be increased to 10d.

The Minister of Health said that the gradual reduction of food subsidies on the lines suggested by the Chancellor of the Exchequer would expose the Government to the criticism of reducing the standard of life of the workers without any compensatory social programme. The Minister of Fuel and Power was also opposed to the reduction of food subsidies on the ground that these would throw an excessive burden on the poorer element of the community.

The Minister of Labour suggested that any such reductions should be linked to the abolition of bread rationing.

(h) Ministers hoped that it might prove possible to abolish bread rationing in the near future.

The Cabinet—

(1) Approved the proposals made by the Minister of Food in C.P. (47) 239 for reducing food consumption, subject to the modifications noted in paragraphs (b), (d) and (e) above and to the additions noted in paragraphs (a) and (c) above;

(2) Agreed in principle that the price of some subsidised food-stuffs should be increased, and invited the Chancellor of the Exchequer, in consultation with the Minister of Food, to submit detailed recommendations.

The Chancellor of the Exchequer recalled that on 5th August (C.M. (47) 69th Conclusions, Minute 2 (5)) the Cabinet had agreed that as from 1st October, 1947, foreign travel allowances should be reduced from £75 for 12 months to £35 for 14 months, and that the proportionate allowance for a child should be reduced to £20. In view of subsequent developments in the financial situation, he thought that more drastic reductions should now be imposed. He therefore proposed that, the approved reduction should take effect at once, and that from 1st October, 1947, no foreign exchange should be made available for pleasure travel abroad. In addition, he proposed that the authority of the commercial banks to approve exchange applications on behalf of business men should at once be drastically limited. His proposals, which were set out in C.P. (47) 238, would result in a saving of about £30 million a year.

In discussion the following points were made:

(a) The Lord President suggested that travel agencies would be seriously affected by these proposals and should be encouraged to concern themselves with arrangements for holidays in the United Kingdom, particularly for foreign visitors.

(b) The Prime Minister suggested that any public announcement on this subject should discourage avoidable travel abroad for pleasure purposes even before the ban became effective on 1st October.

(c) The Cabinet thought that visits abroad by Members of Parliament should also be reduced as far as possible.

The Cabinet—

(3) Approved the proposals made by the Chancellor of the Exchequer in C.P. (47) 238 for the reduction of foreign travel allowances.
The Cabinet next discussed a memorandum by the Minister of Fuel and Power (C.P. (47) 235) examining the implications of the suggestion that the basic petrol ration should be abolished from 30th September, 1947.

The Minister of Fuel and Power said that the main arguments for and against this proposal were summarised in his memorandum. The abolition of the basic petrol ration would give rise to some political and administrative difficulties; but it would save about £5 million in dollars, and if his colleagues thought that in our present economic situation this consideration was decisive he was ready to agree that the basic ration should be abolished.

The Minister of Transport said that the abolition of the basic petrol ration would increase the strain on public transport; but in present circumstances he was not prepared to object to the proposal on that account.

The Cabinet were informed that there would be a consequential drop in the demand for new cars for the home market; but this should not create unemployment in the motor industry since for the present there should be no difficulty in increasing the export of cars. Later on, surplus capacity might be used for the manufacture of agricultural machinery.

The Cabinet—
(4) Agreed that the basic petrol ration should be abolished from 30th September, 1947.

The Cabinet considered a memorandum by the Minister of Fuel and Power (C.P. (47) 240) on the suggestion that an immediate increase should be made in the prices of gas and electricity, in order to reflect the forthcoming increase in coal prices and to check consumption during the coming winter.

The Minister of Fuel and Power said that, although the increased price of coal would necessitate some increases in gas prices, it would not be possible to assess the scale of these until the applications of the various gas undertakings had been considered. As regards electricity, there would be no grounds for any general increase in price; but he was proposing to consider whether restrictions should be imposed on the use of the two-part tariff.

The Cabinet—
(5) Agreed that there should be no immediate announcement of an increase in the prices of gas and electricity.

The Cabinet next considered a memorandum by the Ministry of Agriculture (C.P. (47) 241) on the possibility of expanding the production of agricultural machinery for the home market and for export. This stated that there could be a substantial increase in the manufacture of agricultural machinery, if larger allocations of steel could be made for this purpose and if agricultural machinery could be added to the list of products for which over-riding priority was to be given under the Prime Minister's directive (C.P. (47) 92 (Revise)).

The Prime Minister said that the Cabinet could not properly decide that the amounts of steel specified in paragraph 4 of C.P. (47) 241 should be allocated for the production of agricultural machinery before knowing what effect such a decision would have on other important programmes. Nor would it be expedient that over-riding priority should be given for agricultural machinery, as proposed in paragraph 5 of C.P. (47) 241; for further additions to the short list of projects contained in C.P. (47) 92 (Revise) would defeat the objects of that list. The proposals put forward in C.P. (47) 241 should be considered in the first instance by the Materials Committee.
In discussion questions were raised about the efficacy of the existing system of allocating steel. The Cabinet were informed that, owing to the drop in steel production on account of the fuel crisis during the past winter, the total amount of the authorities issued for the acquisition of steel exceeded the supplies of steel now available; and it had become necessary to overhaul the whole of the existing system for authorising manufacturers to acquire steel. This review had been put in hand by the Ministry of Supply.

It was also suggested in the discussion that manufacturers were sometimes able to obtain steel without proper authority; and it was agreed that Ministers who obtained any evidence in support of this suggestion should communicate it to the Minister of Supply.

The Cabinet were informed that, for the forthcoming allocation period, an additional amount of 200,000 tons of steel was available for allocation. It was important that this extra quantity should be allocated to purposes, such as the production of agricultural machinery, which would be of special value in redressing our adverse balance of payments.

The Cabinet—

(6) Invited the Chairman of the Materials Committee to consider what could be done to meet the essential steel requirements of the expanded programme for agricultural machinery outlined in C.P. (47) 241; and asked that a further report should be made to the Cabinet if the essential needs of this programme could not be met without serious interference with other important programmes.

(7) Agreed that, in allocating the additional quantities of steel available for the next allocation period, the Chairman of the Materials Committee should pay special attention to projects which would help to redress our adverse balance of payments.

(8) Asked the Lord President to consult with the Minister of Supply and the Chairman of the Materials Committee on the adjustments required in the existing machinery for allocating steel.

The Cabinet next considered a memorandum by the Parliamentary Under-Secretary of State for the Colonies (C.P. (47) 242) regarding the possibilities of increased production of dollar-earning commodities in the Colonies.

The Parliamentary Under-Secretary of State for the Colonies said that before the war the Colonies in general had a large favourable balance with dollar countries which they spent mainly in the sterling area. The only important commodity of which increased supplies could be rapidly made available for sale to the United States was rubber. United States imports of rubber were being artificially restricted by the Government regulation requiring that 50 per cent. of the rubber used by American manufacturers should be synthetic rubber. If this requirement could be removed, there was a prospect of substantial additional dollar earnings.

Increased supplies of certain other commodities could be sold to the United States if United Kingdom purchases were restricted. Of these, the most important was cocoa. There were longer-term possibilities in the expansion of Colonial output of tin, rubber, lead and other minerals. Progress was, however, in some cases held up by the lack of necessary capital equipment; for instance, the Malayan tin industry was seriously short of dredgers, and the development of the lead deposits in Tanganyika was dependent upon the supply of railway track. 100,000 tons of ground nuts were held up at Kano awaiting the supply of locomotives to the Nigerian Railways.
Points in discussion were:

(a) The President of the Board of Trade said that the United States Government had now agreed to reduce to $33\frac{1}{3}$ per cent, the compulsory proportion of synthetic rubber to be used by American manufacturers. Unfortunately, this coincided with a recession in the demand for tyres in the United States, so that it might not result in additional imports.

(b) The Minister of Food deprecated the suggestion that a proportion of the cocoa supplies for the United Kingdom should be diverted to the United States in view of the recent reduction in the tea ration.

(c) The Prime Minister said that immediate steps should be taken to ascertain whether the railway equipment required for the development of Colonial primary products could be made available from surplus War Department stock.

(d) The Prime Minister undertook to consider whether a single individual should not be appointed with full powers to enquire into stocks of surplus stores held by the Ministry of Supply and the Service Departments and to make recommendations regarding their disposal.

The Cabinet—

(9) Invited the Foreign Secretary to consider whether any further approach should be made to the United States Government with a view to inducing them to increase their imports of natural rubber, whether for current consumption or for stock-piling.

(10) Asked the Chancellor of the Exchequer, in consultation with the Minister of Food and the Parliamentary Under-Secretary of State for the Colonies, to consider the possibility of diverting to the United States some proportion of our existing imports of cocoa from Colonial territories.

(11) Asked the Parliamentary Under-Secretary of State for the Colonies to consider whether a foreign firm, e.g., from Belgium, could not be invited to accept a contract for building the railway required to exploit the Tanganyika lead deposits.

The Cabinet considered a note by the Secretary (C.P. (47) 236) embodying the comments of the Ministry of Health on certain suggestions for adjustments in the Government housing programme.

The Minister of Health said that, after the Parliamentary debates on the economic situation, he had cancelled existing licences for the building of houses for sale. He had also arranged that the approval of tenders for the erection of houses by local authorities should be restricted for the time being to rural and mining areas. He had recently suggested to the Minister of Works that steps should be taken to prevent the establishment of new firms of builders. These measures would suffice to hold the position until the comprehensive review of the housing programme could be completed. It was his intention that, without dishonouring existing contracts, the programme should be allowed to run down to a maximum figure of 200,000 houses a year. He hoped, however, that, when a revised programme had been authorised, as a result of the review now being held, the Government would adhere to that programme for a substantial period. Meanwhile, he would deprecate any further announcement about the housing programme.

The Cabinet—

(12) Agreed that no further announcement need be made about the Government housing programme until Ministers had
decided what adjustments must be made in that programme as a result of the review which was being made of the investment programme as a whole.

The Cabinet next discussed a memorandum by the Lord President (C.P. (47) 237) containing various suggestions for adjustment of machinery and methods in economic matters.

The Lord President suggested that the Ministerial Committee on Civil Service Man-Power should again consider, in the light of our current economic situation, whether further reductions could not be made in Civil Service staffs; and that the Minister of Health and the Secretary of State for Scotland should thereafter press for a corresponding reduction in local government staffs. The Committee should invite Ministers to reconsider, in the light of the present emergency, the possibility of reducing staffs through curtailing or postponing projects to which they had hitherto felt committed by pledges previously given.

The Cabinet—

(13) Asked the Prime Minister to arrange for the Ministerial Committee on Civil Service Man-Power to be reconvened, with extended terms of reference, for the purpose of conducting a further review of Civil Service staffs on the basis proposed in paragraph 2 of C.P. (47) 237; and to invite the Minister of Health and the Secretary of State for Scotland to press for a corresponding reduction in local government staffs.

After considering paragraph 3 of C.P. (47) 237, the Cabinet—

(14) Invited Ministers in charge of Departments concerned with economic affairs to satisfy themselves that effective machinery was available in their Departments for the executive action required, in conjunction with the Central Economic Planning Staff and the industries concerned, in such matters as progressing deliveries, &c.

The Lord President suggested that a further effort should now be made to restrict international conferences to matters essential to world security and economic rehabilitation. He also suggested that the delegations sent from the United Kingdom to such international conferences as continued to be held might be substantially reduced.

There was general agreement that the first of these proposals should be reviewed by the Official Steering Committee on International Organisations. As regards the second, while the size of our delegations might be reduced, Ministers were not prepared to commit themselves to the 50 per cent. reduction suggested in the Lord President's paper.

The Cabinet—

(15) Instructed the Official Steering Committee on International Organisations to submit, through the Foreign Secretary, a report on the possibility of securing the postponement of the less essential international meetings, on the lines suggested in paragraph 4 (a) and (b) of C.P. (47) 237; and on the possibility of limiting the size of the delegations sent from the United Kingdom to such international conferences as continued to be held, and on the procedure to be adopted for that purpose.
After discussing paragraph 5 of C.P. (47) 237 the Cabinet—

(16) Took note that the Lord President would discuss with the Chairman of the Materials Committee whether any adjustments were required in the existing machinery for the allocation of raw materials.

In paragraph 6 of C.P. (47) 237 the Lord President suggested that discussions with the two sides of industry on the preparation of all administrative schemes should in future be initiated by the Planning Board and thereafter be submitted for ratification, where necessary, by the National Joint Advisory Council and the National Production Advisory Council for Industry.

The Cabinet—

(17) Invited the Lord President to discuss this suggestion with the President of the Board of Trade and the Minister of Labour.

The Lord President thought it important that the closest link should be maintained between the Treasury and the Chief Planning Officer, in order to ensure that the requirements of planning were taken fully into account in the formulation of advice to the Chancellor of the Exchequer on fiscal policy.

The Chancellor of the Exchequer said that he shared the Lord President’s views on this point and had already taken steps to improve the liaison between the Treasury and the Central Economic Planning Staff.

The Lord President suggested that the Minister of Labour should reconsider the existing arrangements for the central review of the distribution of man-power.

In discussion it was pointed out that this was a function of the Ministerial Man-Power Committee, of which the Minister of Labour was now Chairman.

The Minister of Labour undertook to consider and report to the Prime Minister whether any adjustments were required in the composition and terms of reference of the Man-Power Committee.

After discussing paragraph 10 of C.P. (47) 237, the Cabinet—

(18) Instructed the Secretary of the Cabinet to consider whether any further machinery was required to ensure that the arrangements for following up and progressing decisions by Ministers were adequate to the needs of the present emergency.

The Lord President said that there were indications that the Planning Board would have wished to be consulted about some of the short-term measures which the Government were proposing to take to meet the current economic emergency. He thought it would be expedient that, wherever practicable, the Planning Board should at least be informed of important measures which the Government were proposing to take in economic matters. He recognised that there were certain types of proposal, e.g., impending cuts in food rations, of which it would not be practicable to inform the Board in advance. He would, however, be glad if he could have a measure of discretion in deciding on what matters the Board should be informed.

The Cabinet—

(19) Authorised the Lord President to keep the Planning Board informed of the measures which the Government were proposing to take to meet the economic emergency, subject to the need for maintaining special secrecy on certain of these proposals (e.g., impending cuts in rations) until public announcements had been made.
The Cabinet next discussed a memorandum by the Minister of Supply (C.P. (47) 243) regarding the possibilities of securing greater standardisation in the motor industry.

The Minister of Supply said that he proposed to seek greater simplification mainly by pressing for increased standardisation of component parts and urging firms to concentrate on a smaller number of models. The second of these objectives had been assisted by the recent revision of motor car taxation. The decision to abolish the basic petrol ration should enable more rapid progress to be made towards both objectives. He proposed to meet representatives of the motor industry in the following week in order to inform them of the measures which he had in mind. He would report to the Cabinet later on the results of that meeting.

The Cabinet—

(20) Took note of the measures which the Minister of Supply was proposing to take to secure increased standardisation in the motor industry.

The Cabinet discussed the arrangements to be made for announcing the decisions recorded above. It was agreed that these decisions should be embodied in a general announcement to be issued from No. 10, Downing Street, on 27th or 28th August. Ministers departmentally concerned would be informed in advance of the terms of this announcement and would be responsible for giving through their Public Relations Branches, any supplementary information or guidance required by the Press or the public on matters affecting their own Departments.

The Cabinet—

(21) Invited the Lord President, in consultation with the Prime Minister and Ministers departmentally concerned, to arrange for the preparation of a general announcement of the decisions recorded above; and to consider whether it was desirable that a Press Conference should be held when this announcement was made.
