CABINET 27 (47)

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

Present:

The Right Hon. C. R. ATTLEE, M.P., Prime Minister (in the Chair).
The Right Hon. ARTHUR GREENWOOD, M.P., Lord Privy Seal.
The Right Hon. Sir Stafford CHIPPS, K.C., M.P., President of the Board of Trade.
The Right Hon. Viscount JOWITT, Lord Chancellor.
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. G. A. ISAACS, M.P., Minister of Labour and National Service.

The following were also present:
The Right Hon. E. J. BELLENGER, M.P., Secretary of State for War (Item 1).
The Right Hon. ALFRED BARNES, M.P., Minister of Transport (Item 4).
The Right Hon. Lord Pethick-LAWRENCE, Secretary of State for India and Secretary of State for Burma.
The Right Hon. A. CREECH JONES, M.P., Secretary of State for the Colonies.
The Right Hon. F. SHINWELL, M.P., Minister of Fuel and Power (Items 3-5).
The Right Hon. GEORGE TOMLINSON, M.P., Minister of Education.
The Right Hon. P. J. NOEL-BAKER, M.P., Secretary of State for Air (Item 1).
The Right Hon. HECTOR McNEILL, M.P., Minister of State (Item 1).
Admiral Sir John H. D. CUNNINGHAM, First Sea Lord and Chief of Naval Staff (Item 1).

Major-General A. DUDLEY WARD, representing the Chief of the Imperial General Staff (Item 1).

Secretariat.

Sir NORMAN BROCK.
Lieut.-General Sir LESLIE HOLLIS.
Mr. W. S. MURRELL.
Mr. S. E. V. LUKE.
# Cabinet 27 (47)

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1. The Cabinet considered a memorandum by the Foreign Secretary (C.P. (47) 75) recommending the withdrawal from Southern Iraq of the brigade group known as Force 401.

The Minister of State recalled that in July, 1946, the Cabinet had authorised the despatch of this Force to Southern Iraq in view of the imminent risk of serious disturbances in Southern Persia, which might threaten the lives of British and Indian employees of the Anglo-Iranian Oil Company and disrupt the flow of essential oil supplies. In recent months the situation in Persia had greatly improved, and His Majesty's Ambassador at Tehran had now recommended that, if the present Prime Minister obtained a majority in the new Persian Parliament, the Force should be withdrawn. Although the elections were not yet complete, the Prime Minister now seemed assured of a substantial majority. It was therefore recommended that—

(i) The Government of India should be asked to concur in the withdrawal of Force 401 as soon as His Majesty's Ambassador in Tehran confirmed that the maintenance of that Force in Southern Iraq was no longer necessary;

(ii) The Foreign Office, in consultation with the other Departments concerned, should consider the desirability of making a public announcement about the withdrawal of Force 401;

(iii) As soon as this Force had been withdrawn, the withdrawal of the remaining land forces in Iraq should be resumed;

(iv) The Chiefs of Staff should prepare an outline standing plan for action in South Persia in case serious disturbances should occur in the future.

The Chief of the Air Staff said that the Chiefs of Staff supported these proposals. They hoped that any announcement that might be made would contain no suggestion that the withdrawal was due to military weakness. The Commanders-in-Chief, Mediterranean, had already been asked to prepare an alternative plan for action in South Persia, but this would necessarily be less precise and less effective than earlier plans and would be dependent on the forces available at the time.

The Minister of Defence said that it should be recognised that this withdrawal involved taking some risk in an area which was of great strategic importance by reason of our oil supplies. Any alternative plan for future action in South Persia would impose a serious strain on our air resources in the Middle East.

In further discussion, Ministers questioned the need for any public announcement about the withdrawal of Force 401. Could not this withdrawal be treated as part of the general evacuation of British troops from Iraq under the Anglo-Iraqi Treaty? The Secretary of State for India said that some announcement about the withdrawal would probably be expected in India. It was, however, the view of the Cabinet that efforts should be made to induce the Government of India to agree that no such public announcement should be made.

The Cabinet—

(1) Approved the recommendations made in C.P. (47) 75 and summarised in paragraphs (i), (iii) and (iv) above regarding the withdrawal of Force 401 from Southern Iraq.

(2) Invited the Secretary of State for India to seek to persuade the Government of India that no public announcement should be made about the withdrawal of this Force; but agreed that, if these efforts were unsuccessful, the Minister of State should have discretion to settle, in consultation with the other Ministers concerned, the terms in which the withdrawal should be announced.
2. The Cabinet considered a memorandum by the Lord Chancellor (C.P. (47) 77) embodying the Final Report of the Ministerial Committee on the Reform of Legal Procedure.

The Lord Chancellor recalled that in their First and Second Interim Reports the Committee had discharged the second part of their terms of reference on practice and procedure in Divorce proceedings. They had now considered the remainder of the field and had come to the conclusion that a review of practice and procedure in other Divisions of the Supreme Court, and in the County Court, would be likely to lead to reduction in the cost of litigation. They therefore recommended the appointment of two Committees to enquire into the present practice and procedure of the Supreme Court and the County Court, respectively. It was contemplated that, while these Committees would contain a number of laymen, the bulk of the preliminary work would be undertaken by Sub-Committees consisting of the Chairmen and four or five members acquainted with the technicalities of the subject.

The Lord Chancellor said that he would encourage both Committees to submit interim reports, so that all remedial action need not await the final conclusion of the enquiries. He asked that the final selection of the members of these Committees should be left to his discretion.

In discussion, the following points were raised:

(a) The Treasury Solicitor, or the Solicitor to one of the main Government Departments, should be a member of the Supreme Court Committee. This was agreed to.

(b) It was proposed that the Supreme Court Committee should include a representative of the Trades Union Congress; but that the County Court Committee should include a representative of the Trades Union Congress or the National Union of Mineworkers or the National Union of Railwaymen. The Minister of Labour said that this distinction would be embarrassing: it would be preferable that the Trades Union representative on both Committees should be a representative of the Trades Union Congress. The Lord Chancellor accepted this suggestion and undertook to consult with the Minister of Labour regarding the selection, for both Committees, of a representative of the Trades Union Congress.

The Cabinet—

(1) Approved, subject to the points noted in paragraphs (a) and (b) above, the Final Report of the Ministerial Committee on the Reform of Legal Procedure.

(2) Invited the Lord Chancellor to arrange for the appointment of Committees to enquire into the present practice and procedure of the Supreme Court and the County Court, respectively, on the basis suggested in that Report.

3. The Minister of Civil Aviation informed the Cabinet that he proposed that a new Clause should be added to the Air Navigation Bill in order to protect him and airline operators against actions for nuisance in respect of noise caused by aircraft on the ground at airports. When the Crown Proceedings Bill became law, it would be possible to bring actions against the Crown for nuisance caused by a civil aircraft on the ground, and such actions might affect foreign operators using airports which he had designated under international agreements. He had hoped that the necessary protection might have been given in the Crown Proceedings Bill, but, after discussion with the Lord Chancellor, he had agreed that it would be preferable to deal with the matter in the Air Navigation Bill. The proposed new Clause would enable Orders in Council to be made regulating the conditions under which noise and vibration might be caused by aircraft at airports and providing that no action for nuisance should lie so long as the provisions of the Order
were duly complied with. The Clause would cover only civil aircraft, since the position of military aircraft was safeguarded in the Crown Proceedings Bill.

The Lord Chancellor said that the new Clause would be criticised on the ground that it made no provision for ascertaining the views of the local residents before an Order in Council was made. He agreed, however, that the right course was to resist any proposal for local enquiries into objections to such Orders.

In further discussion it was agreed that, if the point were pressed, Orders under the new Clause might be made subject to negative resolution.

The Cabinet—

Approved the proposal to add a new Clause to the Air Navigation Bill protecting the Minister of Civil Aviation and airline operators against actions for nuisance in respect of noise caused by aircraft on the ground at airports.

4. The Cabinet resumed their discussion of the memoranda by the Minister of Fuel and Power (C.P. (47) 73) and the Minister of Transport (C.P. (47) 76) on the proposal that provision should be made in the Electricity Bill for additional compensation in respect of the acquisition of municipal electricity undertakings.

The Prime Minister said that at his meeting with the Association of Municipal Corporations on 7th March he had formed the impression that, though the Association did not press the point very strongly, they felt that they had a good case for some additional compensation in respect of severance.

The Minister of Fuel and Power said that some of the Government supporters with whom he had discussed the matter had put forward claims for compensation in respect of the loss of the benefit of income tax set-off. In his opinion, however, provided that the amount of the additional compensation was reasonable, there would be no objection to its being given in respect of severance only. He had considered an alternative method of distribution based on the capital expenditure of individual undertakings, but had come to the conclusion that this would give a less equitable result than the method proposed in C.P. (47) 73. On the other hand, the Minister of Transport might conceivably find that capital expenditure would form a more suitable basis for the distribution of any additional compensation given to local authorities whose transport undertakings were acquired under the Transport Bill.

The Minister of Transport said that, though it would not be easy to devise a corresponding scheme for the Transport Bill, particularly since the transfer of municipal undertakings would take place under schemes made at various dates in the future, his difficulties would be mitigated if the additional compensation granted under the Electricity Bill were expressly related to severance. He would do his best to work out a scheme of additional compensation under the Transport Bill which would be consistent with what was proposed for electricity.

The Chancellor of the Exchequer said that he was satisfied that the logical course was to relate the additional compensation to severance, and he hoped that any suggestion that such compensation should be given in respect of the loss of income tax set-off would be resisted. It would no doubt be necessary to provide for compensation in respect of severance when the gas undertakings of local authorities were nationalised.
The Cabinet—

(1) Agreed that a global sum of £5 millions should be allocated to local authorities whose electricity undertakings were acquired under the Electricity Bill, as compensation for the reduction of the field over which overhead expenses could be spread by reason of the severance of the electricity undertaking from the remainder of the local authority organisation, and agreed that this sum should be distributed among local authorities according to the units of electricity sold by each undertaking in 1946.

(2) Took note that the Minister of Transport would work out a corresponding scheme for the grant of additional compensation in respect of local authority transport undertakings acquired under the powers conferred by the Transport Bill.

5. The Cabinet discussed the line to be taken by Government spokesmen on two aspects of the coal situation which had been raised in the House of Commons Debate on the Economic Situation.

Some further statement would have to be made on behalf of the Government about the introduction of the five-day week in the coalmining industry. Opposition speakers would probably press the Government to state whether, in their view, the target which they had set for coal production in 1947 could be achieved if the five-day week were introduced. This depended on the nature of the conditions accepted by the men in return for the five-day week, and the extent to which those conditions were observed in practice.

The Minister of Fuel and Power informed the Cabinet of the stage reached in the current negotiations between the National Coal Board and the National Union of Mineworkers about these conditions and suggested that, as those discussions were still proceeding, it would be inexpedient to offer any estimate of the effect on output of introducing the five-day week.

After further discussion, the Cabinet—

(1) Invited the Minister of Labour to deal with this point, when speaking in the Debate later that day, by stating that the Government had indicated in 1946 that they would raise no objection in principle to the introduction of the five-day week, subject to the negotiation of satisfactory conditions for its operation; that the Government had not modified its attitude, though they attached great importance to the principle, stated in the Economic Survey for 1947 (Cmd. 7046), that, in present circumstances the nation could not afford shorter hours of work unless these could be shown to increase output per man-year; and that the conditions to be attached to the introduction of the five-day week were now under discussion between the National Coal Board and the National Union of Mineworkers and had not yet been finally determined.

The Cabinet then discussed the suggestion, made in the Debate, that coal should be imported from abroad for the purpose of augmenting stocks for the coming winter.

The Minister of Fuel and Power said that the United States had an export surplus of coal, and ships in which it could be brought to this country. As much as 200,000 tons a month might perhaps be obtained from this source. It was also possible that coal might be obtainable from South Africa. The disadvantages of importing coal must, however, be considered. Thus, there might be difficulty in securing the agreement of the European Coal Organisation, and
the cost in terms of hard currencies would be considerable. The Chancellor of the Exchequer said that dollar expenditure on coal would have to be offset by reductions in other parts of the import programme.

The Cabinet—

(2) Invited the Minister of Fuel and Power to submit to the Fuel Committee a memorandum summarising the arguments for and against a policy of importing foreign coal for stockbuilding.

(3) Agreed that the Minister of Defence, when speaking in the Debate later that day, should indicate, in terms to be agreed in consultation with the Minister of Fuel and Power, that the Government were considering the possibility of importing foreign coal.

Cabinet Office, S.W. 1,