CONCLUSIONS of a Meeting of the War Cabinet held at 10 Downing Street, S.W. 1, on Wednesday, 21th December, 1944, at 5.30 p.m.

Present:
The Right Hon. C. R. Attlee, M.P., Deputy Prime Minister (in the Chair).
The Right Hon. Oliver Lyttelton, M.P., Minister of Production.
The Right Hon. Lord Woolton, Minister of Reconstruction.

The following were also present:
The Right Hon. Viscount Cranborne, Secretary of State for Dominion Affairs.
The Right Hon. Sir Archibald Sinclair, Bt., M.P., Secretary of State for Air.
The Hon. Sir Alexander Cadogan, Permanent Under-Secretary of State for Foreign Affairs.
Admiral of the Fleet Sir Andrew Cunningham, First Sea Lord and Chief of Naval Staff (Items 1-4).
Major the Right Hon. G. Lloyd George, M.P., Minister of Fuel and Power (Item 5).
Marshal of the Royal Air Force Sir Charles F. A. Portal, Chief of the Air Staff (Items 1-4).

Lieutenant-General Sir Archibald Nye, Vice-Chief of the Imperial General Staff (Items 1-4).

Secretariat:
Sir Edward Bridges.
General Sir Hastings L. Ismay.
Sir Gilbert Laithwaite.
Mr. L. F. Burgis.
## WAR CABINET 174 (44).

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1. The chiefs of Staff recorded the principal events of the previous ten days.

Bomber Command had dropped 13,000 tons and flown 4,000 sorties for the loss of 39 aircraft. By day they had attacked targets in support of the land battle, railway communications and enemy airfields. Targets by night had included Duisburg, Munich and Coblenz.

United States Bombers had dropped 9,000 tons on railway centres and tactical targets on the battlefield for the loss of 27 aircraft.

Allied Expeditionary Air Force had flown 22,000 sorties for the loss of 40 Bombers and 232 Fighters and Fighter-Bombers. During the last four days they had inflicted great damage on the spearhead of the enemy attack, on his motor transport, and his communications: 65 tanks and 2,398 other enemy vehicles were claimed to have been destroyed in addition to a great number damaged. There were signs of some disorganisation in the German supply system.

709 enemy aircraft were claimed to have been destroyed. 13,000 sorties had been flown and 8,200 tons of bombs dropped, mostly on oil targets and in the battle area.

Shipping losses due to enemy action in the week ended the 24th December amounted to 21,442 tons. The total confirmed losses for the month so far were 66,315 tons. A transport with some 2,500 American troops on board had been torpedoed in the Channel. It was known that at least 1,500 had been rescued.

Several E-Boats endeavouring to mine the approaches to the Scheldt had been sunk. Six midget submarines operating in this area had been destroyed and two abandoned.

The German offensive which had started on the 17th December had consisted of three thrusts. The Northern thrust had been directed through Malmedy on Liége; the second thrust through Bastogne on Dinant, and the third towards Luxemburg and Arlon. The northern thrust had been held in the neighbourhood of Malmedy and the troops comprising it had tried to work their way westwards and had delivered a heavy attack near Hotton. The northern flank of the enemy break-through was now securely held on a line running from near Monschau to Dinant on the Meuse. On the south the American Air-borne Division had held the important communication centre of Bastogne, and had for some time been cut off but contact had now been restored.

Some little time must elapse before the battle was stabilised, but the enemy must by now be feeling some anxiety about the maintenance of his troops and the risk of counter-attack against the flanks of his thrust. At the outset of the attack our air forces had been grounded by the weather, but Field Marshal Montgomery had said that in the last two days the air had been of the utmost importance and had blunted the enemy thrust.

During the last eight days there had been rather an improvement in the military situation and we had established a secure line of communications from the Piraeus to the centre of the city. About half of Athens was now in our hands. Detachments of our outlying forces elsewhere in Greece had been withdrawn to Salonika and Patras.

The Canadian Corps on the right had gained ground and captured Bagnacavallo.

The Russian advance north of Budapest had been resumed and Lovice had been captured. The Russians had also broken through on the front between Lake Balaton and Budapest which was now encircled. Russian troops were reported to be in the western suburbs.

In the Arakan our forces had advanced several miles towards Akyab. Forces from the Chindwin valley and from Wuntho were now converging on Ye-U, against slight resistance.

General MacArthur had reported that the Leyte campaign was now finished.

The War Cabinet—

Took note of these statements.
2. The Deputy Prime Minister said that in the last 9 days ending 9 a.m. that morning there had been 31 incidents from long-range rockets, including 9 in the Greater London area and 17 in Essex. The most important incident had been at Chelmsford where damage had been done to the Hoffmann Ball-Bearing Works and 30 people had been killed.

In the same period, 50 flying-bombs had been plotted, of which 33 had flown overland. Only 3 flying-bombs had landed in the London area, and the main weight of the attack had been directed on Sunday morning against Lancashire and neighbouring counties. These bombs had fallen over a very wide area. The most serious incident had been at Oldham where 25 people had been killed.

The casualties during the period had been as follows:

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<th>Killed</th>
<th>Serious</th>
<th>Slight</th>
<th>Missing</th>
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<td>Rockets</td>
<td>71</td>
<td>218</td>
<td>501</td>
<td>21</td>
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<tr>
<td>Flying-Bombs</td>
<td>35</td>
<td>63</td>
<td>41</td>
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<td><strong>Total</strong></td>
<td><strong>106</strong></td>
<td><strong>281</strong></td>
<td><strong>542</strong></td>
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The War Cabinet—

Took note of this statement.

3. The Permanent Under-Secretary of State for Foreign Affairs gave the War Cabinet the latest news from Athens. The discussions among the Greek leaders, under the chairmanship of Archbishop Damaskinos, were continuing.

The War Cabinet—

Took note of Sir A. Cadogan’s statement.

4. The War Cabinet had before them a memorandum by the First Lord of the Admiralty (W.P. (44) 759) about the transfer of certain warships to Canada. The Canadian Naval Staff had suggested that two lend-lease escort carriers, which had been manned by Canadian personnel, should be exchanged for two of the new light fleet carriers which would shortly be going into commission, and that Canada should man a further flotilla of fleet destroyers. The Admiralty were wholeheartedly in favour of both suggestions. The Canadian Naval Staff wished to have a firm assurance from us that the ships would be available before putting the proposal to their Government.

Until the Canadian Government had been consulted it was not possible to say much about the financial side of the transaction. The First Lord of the Admiralty therefore proposed that our initial offer to the Canadian Naval Board should merely state that two light fleet carriers and a flotilla of fleet destroyers could be made available for loan to the Royal Canadian Navy. If the Naval Board wished to acquire those ships permanently, the terms of transfer would be a matter for discussion.

The First Sea Lord said that these proposals were based on discussions with the Canadian Naval Staff and that the Admiralty saw great advantage in them. The question of terms would have to be considered later, but the possibility that the Canadians might wish to pay for these ships need not be excluded.
The Chancellor of the Exchequer said that he concurred in the proposals on the understanding that they were without prejudice to any longer term arrangement.

The War Cabinet—

Authorised the Admiralty to make an approach to the Canadian Naval Mission in this country, on the lines proposed in W.P. (44) 759.

Ministry of Fuel and Power.

(Previous Reference: W.M. (49) 137th Conclusions, Minute 6.)

5. The War Cabinet had before them a Memorandum by the Minister of Fuel and Power (W.P. (44) 732) pointing out the difficulties with which his Ministry was faced in handling the post-war problems of the fuel and power industries owing to the fact that the Ministry had been created by an Order in Council under Ministers of the Crown (Emergency Appointments) Act, 1939, for the purpose of exercising functions connected with the prosecution of the war, and recommending that a Bill should be prepared forthwith to create a peace-time Ministry of Fuel and Power and to give the Minister the necessary powers for the exercise of his functions both during and after the war.

The Minister of Fuel and Power pointed out that a Bill for this purpose had been included in the legislative Programme for the Session, in the category of "Essential Bills connected with the prosecution of the war or arising out of the conclusion of the war with Germany" (W.P. (44) 716).

The Minister of Fuel and Power added that he had considered whether a Bill to provide for the continuance of his Ministry after the war should also include provision for taking over the functions assigned to the Coal Commission, by Part II of the Coal Act, 1938, in regard to the reduction of the number of coal-mining undertakings, where necessary in the interests of efficiency. In fact, the Coal Commission had not exercised these functions during the last four years. He (the Minister) had suggested to the Chairman of the Coal Commission that, in order to avoid overlapping between the functions of the Coal Commission and of the Ministry in regard to reorganisation of the industry, it would be advisable that the Coal Commission should not take any active steps in this matter for the present. He thought, however, that it would be wiser not to include in the Bill to create a peace-time Ministry of Fuel and Power any provision in regard to the powers of the Coal Commission, and to leave the matter to be dealt with as part of whatever legislative proposals might be submitted to Parliament later on for dealing with the reorganisation of the coal-mining industry.

The War Cabinet—

(1) Agreed that a Bill should be prepared and presented to Parliament to extend the present Ministry of Fuel and Power into peace-time on the lines proposed.

(2) Agreed that this Bill should not include any provision for the transfer to the Ministry of the powers entrusted to the Coal Commission by Part II of the Coal Act, 1938, and that this matter should be dealt with on the lines proposed by the Minister at "X".

Offices of the War Cabinet, S.W.1,
27th December, 1944.