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**SECRET.**

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W.M. (45)

17th Conclusions.

**WAR CABINET 17 (45).***CONCLUSIONS of a Meeting of the War Cabinet held in the Cabinet War Room on Friday, 9th February, 1945, at 12 noon.*

## Present :

The Right Hon. C. R. ATTLEE, M.P., Deputy Prime Minister (*in the Chair*).  
 The Right Hon. Sir JOHN ANDERSON, M.P., Chancellor of the Exchequer.  
 The Right Hon. OLIVER LYTTTELTON, M.P., Minister of Production.  
 The Right Hon. ERNEST BEVIN, M.P., Minister of Labour and National Service.  
 The Right Hon. HERBERT MORRISON, M.P., Secretary of State for the Home Department and Minister of Home Security.  
 The Right Hon. LORD WOOLTON, Minister of Reconstruction.

## The following were also present :

The Right Hon. VISCOUNT CRANBORNE, Secretary of State for Dominion Affairs.  
 Colonel The Right Hon. OLIVER STANLEY, M.P., Secretary of State for the Colonies.  
 The Right Hon. Sir JAMES GRIGG, M.P., Secretary of State for War.  
 The Right Hon. R. A. BUTLER, M.P., Minister of Education (*Item 3*).  
 The Right Hon. Sir WILLIAM JOWITT, K.C., M.P., Minister of National Insurance (*Item 3*).  
 The Right Hon. LORD CHERWELL, Paymaster-General.  
 The Right Hon. L. S. AMERY, M.P., Secretary of State for India and Secretary of State for Burma.  
 The Right Hon. A. V. ALEXANDER, M.P., First Lord of the Admiralty.  
 The Right Hon. Sir ARCHIBALD SINCLAIR, Bt., M.P., Secretary of State for Air.  
 The Right Hon. H. U. WILLINK, K.C., M.P., Minister of Health (*Item 3*).  
 The Right Hon. RICHARD LAW, M.P., Minister of State (*Items 2 and 3*).  
 The Right Hon. Sir WALTER WOMERSLEY, M.P., Minister of Pensions (*Item 3*).  
 Mr. J. M. TROUTBECK, Foreign Office (*Item 1*).

## Secretariat:

Sir GILBERT LAITHWAITE.  
 Mr. W. L. GORELL-BARNES.

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**Conference of  
Heads of  
Governments.**  
(Previous  
Reference:  
W.M. (45) 16th  
Conclusions.)

1. The War Cabinet resumed their discussion of the points referred to them by the Prime Minister and the Secretary of State for Foreign Affairs from the meeting of Heads of Governments. A record of the discussion and of the conclusions reached is contained in the Secretary's Standard File of War Cabinet Conclusions.

**Munitions  
Production.**  
(Previous  
Reference:  
W.M. (45) 9th  
Conclusions,  
Minute 1.)

2. At their meeting on the 25th January the War Cabinet had agreed that, for the purposes of planning production, it should be assumed that the earliest date at which the war with Germany was likely to end would be the 30th June, 1945, and the date beyond which it was unlikely to continue, the 1st November, 1945. They had also approved the January aircraft programme set out in W.P. (45) 32, subject to certain adjustments.

The War Cabinet were now informed that the Combined Chiefs of Staff had agreed to recommend to the Prime Minister and the President that the assumption in regard to the end of the German war to be made for production planning and man-power purposes should be that it would end not earlier than the 30th June, 1945, and not later than the 31st December, 1945.

The War Cabinet were informed that the Ministerial Committee on Man-Power calculated that the effect of the decisions taken by the War Cabinet on the 25th January would be that the net increases during the first half of 1945 in man-power allocations to all other industries and services other than munitions would have to be reduced from 315,000 to 210,000, as against requirements amounting to 532,000. In the case of the Board of Trade the reduction would be from 210,000 to 85,000 as against a requirement of 375,000. It would also be impossible to meet in full the approved intakes to the Armed Forces for the first six months of 1945 (the deficiency might be about 5,000).

It was the general view of the War Cabinet that reductions on anything like this scale could not be accepted and that the whole position would therefore have to be reviewed at an early date. They would not wish to raise any objection to the proposed new assumptions in regard to the end of the German war, which could not in themselves make any material difference to our man-power calculations. It was, however, clear that allocations to munitions (particularly the Ministry of Aircraft Production) would now have to be reviewed in relation not so much to any assumption about the end of the war with Germany as to the essential requirements of other industries and services.

The War Cabinet—

Invited the Chancellor of the Exchequer, as Chairman of the Ministerial Committee on Man-Power, to inform the Prime Minister of their views by telegram.

**Family  
Allowances.**  
(Previous  
Reference:  
W.M. (44) 122nd  
Conclusions,  
Minute 10.)

3. The War Cabinet had before them a memorandum (W.P. (45) 85) in which the First Lord of the Admiralty, the Secretary of State for War and the Secretary of State for Air urged reconsideration of the decision taken by the Reconstruction Committee on the 22nd January, and reflected in Clause 13 (1) (a) of the Family Allowances Bill, that the family allowance of 5s. a week, payable in respect of all children of British parents residing in the United Kingdom except the elder or eldest child of the family, should not be issued in conjunction with Service family allowances.

The War Cabinet were informed that, subject to their decision on this point and to further consideration of certain minor points, the Family Allowances Bill had been approved by the Legislation Committee (H.P.C. (45) 5th Meeting, Minute 1). It was proposed that the Bill should be laid in dummy on Tuesday, the 13th February, and should receive its Second Reading in the course of the following week. If passed by Parliament, it would come into force on an appointed day to be settled by Order in Council.

In support of the Reconstruction Committee's decision it was pointed out that, in the White Paper on Social Insurance (Cmd. 6550), it had been stated, in connection with family allowances that there would be no duplication with allowances payable under other schemes. Provisions to avoid duplication with allowances payable under all other schemes were accordingly included in the Bill and, if an exception had to be made in the case of Service family allowances, the whole principle of the avoidance of duplication might be jeopardised. Moreover, the practical effect would be to increase the allowances payable in respect of the children of serving men other than the first child from 12s. 6d. a week to 17s. 6d. a week; and this might lead to pressure being brought upon the Government to accept the principle that something of the order of 17s. 6d. per child corresponded with needs and to apply it in the case of other schemes under which children's allowances were payable.

The First Lord of the Admiralty, the Secretary of State for War and the Secretary of State for Air were unable to accept these arguments. In their view, the payment of universal family allowances concurrently with the children's element of Service family allowances would not constitute a duplication in State allowances. Service family allowances were part of the wages of the Officer or the man paid by the State as his employer and, as such, were not the same in kind as family allowances which the State paid under other schemes. Moreover, although the Government had defended the rates of Service family allowances as being adequate for the needs of the serving man and his family without admitting the validity of a comparison between total service remuneration and civilian emoluments of comparable classes, this comparison was, in fact, made and Service family allowances had been freely criticised on that basis. In any case they were satisfied that there would be serious political difficulty if serving men were excluded from the benefits of the family allowance scheme.

In discussion attention was drawn to the fact that on the 12th June, 1941, the Chancellor of the Exchequer (Sir Kingsley Wood) had stated in the House of Commons that it would appear to be impracticable to realise any saving on the estimated cost of a scheme of family allowances on account of family allowances paid in the Services.

*The Chancellor of the Exchequer* said that this statement, which in any case did not amount to a commitment, had been made at a time when the rates of Service family allowances were much lower than they were at present and when the question under discussion concerned the introduction of a general family allowance scheme during the war.

The general view of the War Cabinet was that the time had come when consideration must be given to the whole question of the structure of Service pay and allowances after the war. Pending decisions on this matter, it would be premature to decide whether or not general family allowances should be payable in respect of the children of members of the Forces. The relevant provision of the Family Allowances Bill should therefore be redrafted in such a way as to leave this question open, and a statement should be made to the effect that the relationship between the general family allowances and Service family allowances would be taken into account in a review of the whole structure of Service pay and allowances which the Government were undertaking and would complete before the Family Allowances Bill was brought into force.

"X"

The War Cabinet—

Invited the Minister of National Insurance to prepare a revised draft of Clause 13 (1) (a) of the Family Allowances Bill and a draft statement on the lines proposed at "X" above, for consideration by the War Cabinet at their meeting on Monday, the 12th February.





