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W.M. (45)

9th Conclusions.

WAR CABINET 9 (45).*CONCLUSIONS of a Meeting of the War Cabinet held in the Cabinet War Room on Thursday, 25th January, 1945, at 5.30 p.m.*

Present :

- | | |
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| The Right Hon. WINSTON S. CHURCHILL, M.P., Prime Minister (<i>in the Chair</i>). | |
| The Right Hon. C. R. ATTLEE, M.P.,
Lord President of the Council. | The Right Hon. ANTHONY EDEN, M.P.,
Secretary of State for Foreign
Affairs. |
| The Right Hon. Sir JOHN ANDERSON,
M.P., Chancellor of the Exchequer. | The Right Hon. ERNEST BEVIN, M.P.,
Minister of Labour and National
Service. |
| The Right Hon. OLIVER LYTTTELTON,
M.P., Minister of Production. | 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 :

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| The Right Hon. VISCOUNT SIMON, Lord
Chancellor (<i>Items 3-5</i>). | The Right Hon. VISCOUNT CRANBORNE,
Secretary of State for Dominion
Affairs (<i>Items 3-5</i>). |
| The Right Hon. L. S. AMERY, M.P.,
Secretary of State for India and
Secretary of State for Burma (<i>Items</i>
<i>3-5</i>). | The Right Hon. A. V. ALEXANDER,
M.P., First Lord of the Admiralty
(<i>Items 1 and 2</i>). |
| The Right Hon. Sir JAMES GRIGG,
M.P., Secretary of State for War
(<i>Items 1-3</i>). | The Right Hon. Sir ARCHIBALD
SINCLAIR, Bt., M.P., Secretary of
State for Air. |
| The Right Hon. Sir ANDREW DUNCAN,
M.P., Minister of Supply (<i>Items 1</i>
<i>and 2</i>). | The Right Hon. Sir STAFFORD CRIPPS,
K.C., M.P., Minister of Aircraft
Production. |
| The Right Hon. R. A. BUTLER, M.P.,
Minister of Education (<i>Item 3</i>). | Major The Right Hon. G. LLOYD
GEORGE, M.P., Minister of Fuel and
Power (<i>Item 2</i>). |
| The Right Hon. BRENDAN BRACKEN,
M.P., Minister of Information. | The Right Hon. LORD CHERWELL,
Paymaster-General. |

Secretariat :

Sir EDWARD BRIDGES.
General Sir HASTINGS L. ISMAY.
Sir GILBERT LAITHWAITE.
Mr. W. S. MURRIE.

WAR CABINET 9 (45).

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**Munitions
Production.**

(Previous
Reference:
W.M. (44) 138th
Conclusions,
Minute 2.)

1. The War Cabinet had before them—

- (i) a memorandum by the Minister of Production (W.P. (45) 34) about the assumed date of the end of the war with Germany; and
- (ii) a memorandum by the Secretary of State for Air and the Minister of Aircraft Production (W.P. (45) 32) regarding the aircraft programme.

The Minister of Production explained that at present production planning was governed by the instruction that Departments should cover requirements which would arise if the German war were to continue until the middle of 1945, but that in certain cases, such as ammunition and tanks, decisions had been taken to increase production to levels which would cover requirements even if the war continued after the 30th June, 1945. The choice appeared to lie between confirming the existing assumption and extending the date until the end of 1945, since an intermediate assumption would hardly make sufficient difference in planning to be justifiable. If the latter date were accepted there would be no change in the production of ammunition and tanks, but in many other cases increases above present planning would probably be necessary, and the Ministry of Aircraft Production would presumably have to adhere to the October programme instead of adopting the January programme, which had been drawn up on the basis of the assumption that the date of the end of the war with Germany would be the 30th June, 1945.

The Prime Minister informed the War Cabinet that the Chiefs of Staff had advised that for planning purposes it should be assumed that the earliest date on which the war was likely to end was the 30th June, 1945, and that the latest date beyond which the war was unlikely to continue was the 1st November, 1945. He thought that the Minister of Production, in consultation with the Supply Ministers, should plan production in such a way as to fit in with these dates, regard being had to the nature of each product. It would, for example, be essential to continue the production of ammunition at a level which assumed the continuance of the war until the 1st November, 1945; but on other items where there was no danger of shortage, or where production could be quickly increased if necessary, it seemed justifiable to proceed on the assumption that the war would end at the 30th June, 1945. Looking to the available supplies of aircraft and to the fact that the opportunities of employing aircraft in the Japanese war were likely to be limited, it seemed justifiable to accept the January programme set out in W.P. (45) 32. It would, of course, be necessary to review any decisions taken at the present time within the next two months.

The following points arose in discussion:—

(a) *The Minister of Labour and National Service* said that it would be useful if he could be supplied with estimates of the approximate numbers of labour which would be released by the Supply Departments, on the assumption that the German war ended on, say, the 1st April, 1st July and 1st October, 1945. This would enable him to plan for the early reabsorption into civil industry of the labour which would be released when the programmes were cut back to the level required for the Japanese war.

(b) *The Secretary of State for Air* said that, if the German war continued after the 30th June, it would be essential to keep up the supply of high-performance fighters. While, therefore, he was prepared to accept the January programme in general, he must stipulate for an adjustment of the programme which would keep up the supply of this type of fighter.

(c) *The First Lord of the Admiralty* said that he had just received notice that there might be a considerable reduction in the number of Corsair aircraft supplied from the United States. If this were so, some addition would require to be made to the Ministry of Aircraft Production January programme.

(d) *The Minister of Aircraft Production* confirmed that the acceptance of the January programme would involve placing an order for Mosquitoes and Lancasters from Canada.

The War Cabinet—

- (1) Agreed that, for the purposes of planning production, it should be assumed that the earliest date on which the German war was likely to end was the 30th June, 1945, and the date beyond which it was unlikely to continue, the 1st November, 1945; and invited the Minister of Production, in consultation with the Supply Ministers, to plan production to cover these dates, having regard to the nature and stocks of each type of store and to the extent to which output could be restored at short notice.
- (2) Approved the January aircraft programme set out in W.P. (45) 32, subject to any adjustments which might be required (i) to meet the increased need for high-performance fighters in the event of the extension of the German war beyond the 30th June, 1945, and (ii) to make up any deficiency in the supply of Corsair aircraft should it prove impossible to secure delivery of the supplies promised by the United States.
- (3) Agreed that the question of munitions production should be reviewed within the next two months.

Fuel Economy.
(Previous Reference: W.M. (44) 43rd Conclusions, Minute 7.)

2. The War Cabinet were informed by the Minister of Production and the Minister of Fuel and Power that owing to bad weather it was urgently necessary that there should be economies in the use of industrial power. It was accordingly proposed that a letter should be sent to all firms appealing to them to economise in the use of fuel or industrial power. It would be pointed out in the letter that, if voluntary economies were not found to be effective, the Government would have to give directions by order for the carrying out of the necessary cuts. It was hoped that the appeal would be successful, but meanwhile arrangements would be made by which it would be possible to give directions for the necessary cuts without delay.

The War Cabinet—

Endorsed the action proposed by the Minister of Production and the Minister of Fuel and Power with a view to securing economies in the use of industrial power.

India.
(Previous Reference: W.M. (44) 171st Conclusions, Minute 6.)

3. The War Cabinet had before them—

- (i) a report by the Lord President of the Council, Chairman of the India Committee (W.P. (45) 37), on Mr. Desai's approach to the Viceroy;
- (ii) a report by the Lord President of the Council, Chairman of the India Committee (W.P. (45) 54), on the Viceroy's interview with Mr. Desai.

The Lord President of the Council informed the War Cabinet that the report in W.P. (45) 37, containing certain recommendations as to the line to be taken with the Viceroy in respect of his proposed interview with Mr. Desai had been overtaken by events. Before the War Cabinet could consider it the Viceroy had reported that he was committed to seeing Mr. Desai. The India Committee had therefore felt that it would be better to await the result of this interview; but the Viceroy had been informed of the anxiety of the War Cabinet that the interview should be conducted in a wholly non-committal manner.

The India Committee had thereafter considered the Viceroy's report of the interview contained in his telegram 157-S of the 20th January, reproduced as Annex I to W.P. (45) 54.

That report to some extent clarified the position. But it increased the doubts of the India Committee as to the authority behind Mr. Desai's proposals and as to the adequacy of those proposals.

The Committee had prepared two draft telegrams to the Viceroy (attached as Annex II and Annex III to W.P. (45) 54). Those telegrams were designed to draw from the Viceroy an assurance that he was in agreement with the War Cabinet as to the points on which we must be satisfied before he had any further interviews and before Mr. Desai's scheme could be seriously entertained.

That evening a press report had been received from which it appeared that Mr. Jinnah declined all responsibility for whatever talks there might have been between Liaquat Ali Khan and Desai. Liaquat Ali Khan had also made a speech reiterating the demands put forward on behalf of the Muslim League by Mr. Jinnah in the autumn of 1940. The pressing of those demands was not consistent with the information given to the Viceroy by Mr. Desai. It was the more essential in these circumstances that His Majesty's Government should know exactly where they stood before committing themselves and that the Viceroy, who might well not appreciate the importance of certain of the points in issue, should be aware of the matters to which His Majesty's Government attached importance.

The Lord Chancellor suggested that line 2 of paragraph (d) of the draft telegram appended as Annex III to W.P. (45) 54 should be amended by the substitution for the words "or Jinnah" of the words "still less Jinnah—see his interview reported in the Associated Press under date —."

After a brief discussion, the War Cabinet—

Approved the telegrams appended to W.P. (45) 54 as Annex II and Annex III, subject to the addition proposed by the Lord Chancellor, and invited the Secretary of State for India to arrange for their despatch.

**International
Monetary
Fund.**

(Previous
Reference:
W.M.(44)132nd
Conclusions,
Minute 3.)

4. The War-Cabinet had before them a Memorandum by the Chancellor of the Exchequer (W.P. (45) 46) reviewing the position regarding the proposals of the Bretton Woods Conference for setting up an International Monetary Fund and an International Bank for Reconstruction and Development. A message had been sent to Congress by President Roosevelt covering a financial programme which would include approval of both projects. A Bill was likely to be presented to Congress before the end of January and to be referred to the appropriate committees. It was for consideration in these circumstances whether opportunity should be given for a further debate in the House of Commons.

The Chancellor of the Exchequer suggested that, on balance, the wise course would be to face an early debate in the House on a Government resolution which would not commit us to final acceptance of the Bretton Woods proposals, but would secure approval of the principles involved, so that we should have some limit of action in the event of Congressional amendments. It would be open to the critics to put down an amendment. The Government had pledged themselves to take no further commitment without a debate. If Congress were to accept the Bretton Woods proposals as they stood we might be awkwardly placed, since it would be difficult at that stage to give effect to any views subsequently expressed by the House. If, on the other hand, Congress insisted on making amendments to the proposals, that would create a new situation, which would have to be considered when the time came.

After a general discussion, of which a separate record is kept in the Secretary's Standard File of War Cabinet Conclusions, *the Prime Minister* said that he thought the general sense of the War Cabinet was that the balance of advantage rested with

waiting upon developments in the United States. There had already been one debate on this subject in Parliament on the 10th May, 1944, when a resolution had been passed that the statement of principles provided a suitable foundation for further international consultation with a view to improved monetary co-operation after the war. The scheme had not so far been discussed in Congress, and we were entitled in those circumstances to reserve our position pending discussion in Congress and see how matters developed. If pressed, we could remind the House that this was the position, and could undertake to bring the matter before the House in the light of developments in the United States.

The War Cabinet—

Accepted the Prime Minister's view.

Civil Aviation.
Supplementary
Estimate of
the Vote for
the Minister
for Civil
Aviation.
(Previous
Reference:
W.M.(45)8th
Conclusions,
Minute 3.)

5. At their meeting on the previous day the War Cabinet invited the Lord President of the Council to make a statement as to the powers and duties of the Minister for Civil Aviation, the terms of this statement being settled in consultation with the Secretary of State for Air and the Minister for Civil Aviation.

The question had arisen whether it should be stated that the Minister for Civil Aviation was now in a position to give orders to B.O.A.C., and, if necessary, could make changes in the Board of the Corporation. These functions were, of course, at present assigned by statute to the Secretary of State for Air.

After a short discussion, the War Cabinet—

Agreed that the Lord President of the Council should make a statement to the effect that, pending the necessary legislation, these powers would, by a working arrangement, be delegated by the Secretary of State for Air to the Minister for Civil Aviation, subject to a proviso that in matters affecting the conduct of the war the Secretary of State for Air would continue to have the right to give directions. It should also be said that the necessary legislation would be introduced as soon as possible to give effect to this change.

*Offices of the War Cabinet, S.W. 1,
25th January, 1945.*



