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W.M. (40)

229th Conclusions.

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WAR CABINET 229 (40).

CONCLUSIONS of a Meeting of the War Cabinet held at 10 Downing Street, S.W. 1, on Friday, August 16, 1940, at 12.30 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 Privy Seal. | The Right Hon. VISCOUNT HALIFAX,
Secretary of State for Foreign
Affairs. |
| The Right Hon. A. GREENWOOD, M.P.,
Minister without Portfolio. | The Right Hon. LORD BEAVERBROOK,
Minister of Aircraft Production. |

The following were also present :

The Right Hon. HERBERT MORRISON,
M.P., Minister of Supply.

Secretariat.

Sir EDWARD BRIDGES.
Mr. L. F. BURGIS.

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Priority Policy.Tanks and
aircraft.(Previous
Reference:W.M. (40) 116th
Conclusions,
Minute 1.)

The War Cabinet had before them a Memorandum by the Minister of Aircraft Production (W.P. (40) 313) and a Memorandum by the Minister without Portfolio (W.P. (40) 316) relating to priority for the Production of Tanks. The following were the main points of the discussion :—

- (i) *The Minister of Supply* said that, in consultation with the other Ministers concerned, he had been examining the question of the production of alloys and drop forgings, and there was little doubt that it could be increased. The trouble had been that, at the time of the French collapse, there had been a great increase in the demand for these materials, which had outrun capacity, and there had been no proper system of priority of allocation.
- (ii) The Minister emphasised that, if speedy production of tanks was required, it would be necessary to give them priority 1 (a) along with the aircraft.
- (iii) *The Prime Minister* said that this question should not be discussed as though the point at issue was whether we should have aircraft or tanks. We needed both. There could be no doubt that aircraft must have priority as far as was necessary and until certain requirements were satisfied. The Fighter was our salvation and the Bomber offered means of victory. He could not admit, however, that, whilst giving aircraft first priority, we could not also produce large numbers of tanks, provided that the available resources were allocated to essential needs.
- (iv) *The Minister without Portfolio* pointed out that, if tanks were given priority 1 (b) only, they would be in competition with all the other items in that group. He thought that tanks should receive preference over the other items which received priority 1 (b).
- (v) *The Minister of Aircraft Production* gave details of the effects of recent bombing attacks on aircraft production. There would be some loss of capacity, but he hoped that the output figures would not show a serious drop. At the moment, however, the rate of casualties exceeded the rate of production.
- (vi) Discussion ensued as to the capacity for drop forgings. The present output was at the rate of 4,000 tons a week. The chief users were :—
 - 1,290 tons to the Ministry of Supply, most of which was used for wheeled vehicles;
 - 1,050 tons to the Air Ministry;
 - 440 tons to the War Office; and
 - 470 tons to the Admiralty.

The Minister of Aircraft Production said that most of the Ministry of Supply allocation was used for wheeled vehicles.

- (vii) General agreement was expressed with the view that far too great a proportion of the capacity for forgings and for steel alloys was being used in the manufacture of motor cars and vehicles (not of fighting types) for the Army. The view was expressed that there were plenty of motor cars and lorries in this country at present devoted to civil purposes which could be used by the Fighting Services, though, no doubt, with some loss of efficiency.

- (viii) *The Minister of Aircraft Production* thought that, if motor cars, lorries and other wheeled vehicles were given a lower priority, there would be sufficient capacity for both tanks and aircraft.
- (ix) Discussion ensued on a suggestion put forward by the Prime Minister that tanks should be definitely accorded Priority 1 (a), subject to an understanding that, where there was any conflict between the requirements for aircraft and tanks, the matter should be settled by consultation between the Minister of Aircraft Production and the Minister of Supply. In effect, this would mean that tanks should be given Priority 1 (a), except in regard to the points of conflict with aircraft, in regard to which they should be given Priority 1 (b).

The Minister of Aircraft Production did not see his way to accept this suggestion. If tanks were given equal priority with aircraft, the result would be a falling off in aircraft production. Thus, some of the hammers at present used on aircraft work would be diverted by the Steel controller to tank production.

After further discussion, the War Cabinet agreed as follows:—

- (1) That Priority 1 (a) should continue to be accorded to the following:—
- Fighter, bomber and trainer aircraft.
 - Instruments and equipment for such aircraft.
 - Anti-aircraft equipment (especially Bofors guns, instruments and ammunition therefor, except as provided in (2) and (3) below).
 - Small arms and small-arm ammunition; bombs.
 - Component parts of the above articles.
- (2) Balloons, winches, motor cars and lorries for the Royal Air Force, which had hitherto been accorded Priority 1 (a), should in future be accorded Priority 2.
- (3) Likewise, such lorries and motor cars for the other two Services as have hitherto been accorded Priority 1 (a) or 1 (b) should in future be accorded Priority 2.
- (4) Tanks should be accorded Priority 1 (b).
- (5) The Minister of Aircraft Production and the Minister of Supply should arrange to exercise a joint control over alloy steel and drop forgings.
- (6) The Minister of Supply should report to the War Cabinet to what extent the above arrangements might be expected to retard the tank programme.
- (7) The whole matter should be subject to review by the War Cabinet in a fortnight's time.
- (8) The three Service Departments should consider how they could reduce their demands for the manufacture of motor cars, lorries, &c.

Richmond Terrace, S.W. 1,
August 16, 1940.

[illegible text]

