

Bombing Committee,

Meeting Friday, June 12

at 10.45 AM

in the Air Council Room

S E C R E T.

R.P. (42) 18.

COPY NO. 54

8TH JUNE, 1942.

WAR CABINET

COMMITTEE ON RECONSTRUCTION PROBLEMS

POST-WAR RELIEF POLICY

Report of Official Committee

1. At the meeting of the Reconstruction Problems Committee on 3rd June, 1942 (R.P. 4th Minutes, Conclusion 1), it was agreed:-

- (1) That a committee of officials should consider, in the light of the above discussion of the memoranda by the President of the Board of Trade (R.P. (42) 14) and the Chancellor of the Exchequer (R.P. (42) 17), the nature and wording of any statements to be made by or on behalf of His Majesty's Government in regard to post-war relief commitments;
- (2) That the committee of officials should comprise representatives of the following:-

Office of the Paymaster General
Board of Trade
Dominions Office
Ministry of Food
Foreign Office
Ministry of Supply
Ministry of War Transport
Treasury
War Office (if considered necessary by that Department).

2. The Committee have met and unanimously agreed to recommend that a general statement be made in the following terms:-

"The people of the United Kingdom are willing to join with the other United Nations in doing all in their power to bring relief to countries which have been stripped by our common enemies.

The co-operative arrangements that are being built up during the war for the allocation of supplies between the United Nations cannot be demobilised as soon as the war ends, but will have to be maintained during the period of disorganisation which must follow the cessation of hostilities. His Majesty's Government in the United Kingdom, for their part, are ready to join in working out

and giving effect to common plans for the provision of transport and for the allocation of post-war supplies both of foodstuffs and of other essential goods on an equitable basis to meet minimum needs while acute shortages continue.

As part of the common plan for relief they will be prepared to continue in this country after the end of hostilities the rationing of food and clothing and other suitable measures of control over essential commodities so long as the available supplies are not sufficient to meet the urgent needs of distressed countries.

3. It is felt that a declaration of this character will encourage inter-Allied co-operation in relief measures, and will have a good effect on public opinion both in the United Kingdom and among the United Nations, especially in the United States while it avoids the danger of particularity in commitments relating to an unknown future. The draft suggested covers, though in broader terms, the issues raised in Items (1), (2), (4), (5) and (7) of the Summary of Conclusions shown at the end of the memorandum by the President of the Board of Trade, dated May 22nd, 1942, (R.P. (42) 14).

4. As regards Item (3) of those Conclusions (which dealt with the placing of non-essential stocks in the United Kingdom at the disposal of the international relief organisation) the Official Committee agreed that Ministers should be recommended to record a decision in the following terms:-

"That (without prejudice to our contribution to relief) we shall be prepared to place at the disposal of the international relief organisation, in so far as these are not immediately needed for our own essential purposes, stocks and stores in this country, subject to replacement as soon as possible."

5. As regards Item (6) of the Conclusions, the Committee understands that the Foreign Office as well as the Allied Governments are anxious that arrangements should be worked out as soon as possible for the reprovisioning of any Allied territories which may be recovered by forces of the United Nations during the war. The Departments concerned have the question under examination, but it is difficult to make definite arrangements unless additional supplies for this purpose can be made available from the United States and Canada. The Committee accordingly recommend that the United States Government and the Canadian Government should be consulted as regards these arrangements and as regards the terms of any undertaking to be given to the Allied Governments on the subject.

6. In order to save the time of Ministers the Paymaster General has decided, with the concurrence of the President of the Board of Trade, that this report should be submitted direct to the Reconstruction Problems Committee.

(Sgd.) A.W. HURST.

4/5, Richmond Terrace, S.W. 1.
6th June, 1942.

S E C R E T.

R.P. (42) 17.

COPY NO. 54

2ND JUNE, 1942.

WAR CABINET

COMMITTEE ON RECONSTRUCTION PROBLEMS

POST-WAR RELIEF POLICY

Memorandum by the Chancellor of the Exchequer

1. I agree generally with the view expressed in the President of the Board of Trade's Paper that we should do what lies in our power to make a real contribution to post-war relief and reconstruction at the cost of sacrifices to our own immediate interests. But we should consider carefully how far it is wise to enter into definite commitments which would apply in circumstances which cannot be clearly foreseen. The last thing we want to do is to make promises which, when the time comes, could not be fully carried out.
2. A distinction should be drawn between what might reasonably be expected from us in the initial period of relieving acute want, say three months, and what would be reasonable over a more prolonged period. The international organisation of relief and reconstruction is likely to last for a period measured by two or three years, and I think we should avoid entering into stringent commitments over any longer period than, say, three months, during which steps will have to be taken to prevent actual starvation in the countries concerned.
3. For example, it is reasonable that we should undertake to continue a system of rationing of our own people for perhaps twelve months after the war, but if we agree that our rations should not be increased from what they are at the time when relief starts, would it not be wise that this should be limited to a very short period? When territory is freed from German occupation and relief begins, our own rations may be, for all we know, extremely severe, and I question whether it would be wise at this stage to give an undertaking that such rations should not be exceeded until all other countries have been adequately provided for.
4. The degree to which this country may be willing, in order to relieve others, to submit after the war to food rationing greater than our own difficulties require may well be regarded as the acid test of our willingness to co-operate with other countries, and public opinion might readily accept such restrictions in order to relieve starvation in Greece or Belgium. Public opinion might be much more critical of this country going short to relieve France or Spain, and still more critical if the object were to relieve Germany, Italy or Japan. Is it wise in these circumstances to announce a policy in precise terms at present? What sufficient reason is there for us to do so?

5. I agree that co-ordination in the supply of our needs and in the supply of the needs of other countries will be all-important, but I am not clear what is meant by the "pooling" of supplies. Does it mean that we commit ourselves to placing the whole question of what supplies should be allocated to this country in the hands of some mixed international body of whose constitution and powers we have as yet no knowledge?

6. We must clearly make every effort to provide foodstuffs to Allied territories as and when we re-occupy them prior to the conclusion of the war, but is it wise to enter into a definite commitment on this matter? At this stage of the operations the shipping position may be so difficult that it will be impossible to supply foodstuffs to countries from which the enemy has been driven except at the cost of stinting the Armies which are fighting of munitions and material essential to their operations. It would surely be a fatal mistake to excite hopes which military considerations might well render unrealisable.

7. Before undertaking definite commitments we should consider the position which would arise if certain other countries are being supplied on lend-lease terms while we have to rely on our own resources. There may be a danger that countries such as the Netherlands, Norway and Belgium, which have foreign resources of their own, will in fact be in a position to use those resources to feed their populations, while we are bound by self-denying ordinance to fare no better than Czechs, Poles, Germans or Italians.

8. I would particularly draw attention to the need for making a distinction between foodstuffs and raw materials. It is advisable to make it clear that the President's Paper relates solely to foodstuffs. It may well be essential to our national life after the war that we should be in a position to resume our exports rapidly and to obtain the necessary raw materials for this purpose. This surely is a point on which we cannot afford to enter into any definite commitment that we shall not attempt to supply our own needs unless the needs of other countries, whether ex-Ally or ex-enemy, are supplied on a parallel scale.

9. As regards our own contribution to relief, I agree, as the President states, that when the time comes we should do all that is in our power to assist. But we have a responsibility to our own people and to the peoples of our Colonial Empire, including the territory now occupied by the Japanese. Moreover, if and in so far as we have after the war to live on our own resources, it may be impossible for us to use our stocks for the relief of other countries without a very drastic reduction in our own standard of living. I do not suggest that we should regard our own needs, however great, to the neglect of the needs of others, but I feel that this is a difficult problem which will have to be decided when the time comes and that we should not commit ourselves unduly beforehand.

10. In short, while I have much sympathy with a great deal of the President's Paper, I think we should

consider carefully how far it is wise at this stage to enter into definite commitments, and when we come to talk to the Americans it may well be that the object of our conversations should be to elicit from the Americans the general line of action and organisation which they favour and that our representatives should not without further instructions from Ministers enter into definite commitments on our side.

(Int'd.) K.W.

Treasury Chambers, S.W.1.

2nd June, 1942.

3.

S E C R E T.

R.P. (42) 4th Meeting.

COPY NO. 59

4TH JUNE, 1942.

WAR CABINET

COMMITTEE ON RECONSTRUCTION PROBLEMS

DRAFT MINUTES of a Meeting of the Committee
held on WEDNESDAY, 3RD JUNE, 1942,
at 10.30 a.m. in the Conference Room,
Richmond Terrace, S.W.1.

P R E S E N T:

The Rt. Hon. Sir William Jowitt, K.C., M.P.,
Paymaster General. (In the Chair).

The Rt. Hon. Ernest Bevin, M.P.,
Minister of Labour and
National Service.

The Rt. Hon. Sir Kingsley Wood,
M.P., Chancellor of the
Exchequer.

The Rt. Hon. R.A. Butler, M.P.,
President of the Board of
Education.

The Rt. Hon. Ernest Brown, M.P.,
Minister of Health.

Mr. Harcourt Johnstone, M.P.,
Secretary, Department of
Overseas Trade.

THE FOLLOWING WERE ALSO PRESENT:

The Rt. Hon. Sir Andrew Duncan, . . .
M.P., Minister of Supply.
(For Item 1).

The Rt. Hon. Hugh Dalton, M.P.,
President of the Board of
Trade. (For Item 1).

The Rt. Hon. R.S. Hudson, M.P.,
Minister of Agriculture and
Fisheries. (For Items 1 and 2).

The Rt. Hon. Lord Leathers,
Minister of War Transport.
(For Item 1).

Mr. Richard Law, M.P.,
Foreign Office.

Major-General R.F.B. Naylor,
D.Q.M.G., War Office.
(For Item 1).

Sir John Maude,
Ministry of Health.

Mr. Murrie,
Scottish Office.

Sir Frederick Leith-Ross,
Chief Economic Adviser.
(For Item 1).

Sir Henry French,
Ministry of Food.
(For Items 1 and 2).

Sir Alfred Hurst Secretary of the Committee.

Sir Quintin Hill Secretariat.

POST-WAR
RELIEF

1. The Committee had before them memoranda by the President of the Board of Trade (R.P. (42) 14) and the Chancellor of the Exchequer (R.P. (42) 17) on post-war relief policy. Considerable discussion took place on the seven conclusions to which the memorandum by the President of the Board of Trade invited agreement. It was urged that, whilst the general objective of all possible co-operation with the United States and with our Allies was accepted, too definite commitments, which we might not be able to honour, should not be entered into, future conditions being unknown. The wording of any undertakings and of any instructions to our representatives in forthcoming discussions with the United States should therefore be most carefully scrutinised. What, for instance, was meant by pooling of post-war supplies? Would the undertaking as regards rationing referred to in item 4 of the summary of conclusions cover raw materials and would it be interpreted for food as meaning that we were to ration our people down to the Continental level or something like it? How long was this undertaking to continue in operation? What was the shipping position likely to be and how would this affect any undertakings given? Did we know what would happen in regard to lend-lease supplies which might be continued to other countries, but not to the United Kingdom? Should we not then be under an obligation to feed and supply the population of large portions of Europe, while other European countries, such as the Netherlands, Norway and Belgium, would be able to use their own foreign resources exclusively for their own purposes? As regards raw materials, this country might after the war be among the depressed countries and have great difficulty in supplying its needs. Raw material control by a joint Allied board in America was perfectly satisfactory for the war, but was it likely to be satisfactory for any length of time after the war when American and United Kingdom industries became once more competitive? Definite commitments in regard to any of these matters were to be avoided at the present moment and the attitude of our representatives in any discussions with the United States and Canada should be one of listening to the proposals of those countries and reporting them to His Majesty's Government.

As regards raw materials it was explained that while it was not proposed that these should come under any commitment about rationing it was proposed that they should come into the programme of requirements which would be co-ordinated with the Allied Governments. The proposal as regards food rationing was very general in its terms. On the main issue it was urged that certain European Allies, such as the Norwegians and the Dutch, must be prevented from undertaking their own purchases of post-war supplies. The resolution agreed by the Allies on the subject of post-war reconstruction had been adopted as long ago as September, 1941, and some of the Allies were becoming restive because they were aware that nothing had been done either to accumulate stocks or to make provision for purchasing. If there were further delay and all definite commitments were carefully avoided by His Majesty's Government, individual and unco-ordinated purchasing by the Allies would develop to the disadvantage of both the Ministry of Supply and the Ministry of Food who were anxious to avoid this and to the detriment of post-war co-operation in reconstruction.

The Allied Governments felt that they could not much longer postpone action to fulfil their responsibilities to their own peoples. Moreover, there were great advantages in a joint inter-Allied control both for food and agriculture and in placing these matters on a basis of co-operation and not of competition both for supplies and shipping space. Allied tonnage (apart from American tonnage) was under charter to the United Kingdom for the duration of the war and most of it for six months afterwards, and it would be most undesirable to reach a situation six months after the war under which the Allies proceeded to use their own tonnage without co-operation with the United Kingdom. As regards the feeding of Europe, if various areas were liberated separately, as might occur, we might find ourselves gradually accumulating a responsibility for the provisioning of large masses of population. Obviously it would be better to assume these responsibilities in co-operation with the United States and our other Allies rather than to allow competitive buying and unco-ordinated transport to prevail. It was difficult to find a definite formula to cover the rationing obligation envisaged, but from the point of view of the Ministry of Food it was clear that we could not return to pre-war standards without regard to events in Europe. Some generalised form of undertaking could therefore be given.

Politically it was extremely important to reciprocate the movement towards international co-operation now evidenced by the present proposal. For twenty years our complaint had been that the United States had refused to co-operate. The present proposals were an excellent instance of a desire on the part of the United States Administration to take the lead in international co-operation and it would be disastrous if we adopted a non-committal attitude. Unless full co-operation between all the Allies could be achieved for dealing with post-war problems, the prospect was indeed black.

A suggestion was made that a yard-stick should be worked out by which to measure average consumption for each of the different Allied nations, including the United Kingdom. We could then inform the United States that whilst we did not propose to pin down our consumers to the minimum level reached at the end of the war, we did propose to limit consumption, having regard to the needs of liberated countries and on a calculable basis as between pre-war consumption, present consumption and possible post-war consumption. This would have the added advantage of indicating to our own people that the end of the war would not mean the return to unrestricted consumption, and would diminish the expectation so widely spread that standards after the war would be higher than pre-war standards. Moreover, it might anticipate an irrational movement, of which there were signs, towards the sweeping away of all controls immediately the war ended.

THE COMMITTEE AGREED:

- (1) That a committee of officials should consider, in the light of the above discussion of the memoranda by the President of the Board of

Trade (R.P.(42) 14) and the Chancellor of the Exchequer (R.P.(42) 17), the nature and wording of any statements to be made by or on behalf of His Majesty's Government in regard to post-war relief commitments;

- (2) That the committee of officials should comprise representatives of the following:-

Office of the Paymaster General
Board of Trade
Dominions Office
Ministry of Food
Foreign Office
Ministry of Supply
Ministry of War Transport
Treasury
War Office (if considered necessary by that Department);

- (3) That the Committee should first report to a meeting of Ministers in charge of the Departments represented on it;

- (4) That the report should eventually be brought before the Reconstruction Problems Committee.

PROGRESS
REPORT OF
OFFICIAL
COMMITTEE ON
POST-WAR
INTERNAL
ECONOMIC
PROBLEMS

2. The Committee had before them a Progress Report of the Official Committee on Post-War Internal Economic Problems (R.P.(42) 11). THE CHAIRMAN said that there were two reasons for bringing this Report before the Committee, the first that a report of some kind was due to the War Cabinet, and the second that it might be necessary in the fairly near future for a Government spokesman to make a statement on the subject of reconstruction. The Report showed the ground being covered on the domestic side of reconstruction.

As regards agriculture, the Committee were informed that the Memorandum by the Ministry of Agriculture and Fisheries would be ready very shortly for consideration by the Official Committee.

On the question whether the Report should be brought to the notice of the War Cabinet, it was pointed out that the complexity and the weight of the work involved varied much as between different Departments and an inaccurate impression of the progress being made by individual Departments might be given if the Report were sent forward at the present time.

THE COMMITTEE AGREED:

- (1) To take note of the Progress Report of the Official Committee on Post-War Internal Economic Problems (R.P.(42) 11);
- (2) To leave it to the Chairman to decide how and when to bring to the notice of the War Cabinet a statement regarding the work of the Official Committee.

3. The Committee had before them a paper covering a manifesto by the United States National Resources Planning Board on the subject of post-war objectives (R.P. (42) 15). THE CHAIRMAN said that while he thought that the statements made in this document were most unsuitable for this country, it would undoubtedly be necessary to deal on behalf of the Government with the post-war position in a statement at not too distant a date. What he had in mind was a factual statement in regard to the post-war conditions we might anticipate and to the difficulties which we should have to surmount, rather than a series of generalities about optimistic objectives which might not be reached.

MANIFESTO BY
THE UNITED
STATES NATIONAL
RESOURCES
PLANNING BOARD

General agreement was expressed with the view that in any statement about post-war conditions, anything in the nature of slogans was to be avoided. Statements of the kind produced by the United States National Resources Planning Board might be suitable for the United States of America and, possibly, France, but were quite inappropriate to this country.