WAR CABINET.

DEMOBILISATION AND EMPLOYMENT.

MEMORANDUM BY THE MINISTER OF RECONSTRUCTION.

Governing Considerations.

1. Nature of Armistice.

THE assumption upon which the attached memoranda are based is that if an armistice is concluded it will be of such a character that the possibility of a further outbreak of hostilities may be disregarded. The dismantling of the machinery of war production and the re-establishment of peace industry will, however, take a considerable time, and interim measures are therefore necessary, in order both to avert unemployment and distress and to assist the resumption of normal industry.

2. Scope of Present Memoranda.

The Civil War Workers' Committee have presented five Interim Reports dealing with various aspects of the problem of labour resettlement. Memorandum A and Memorandum B are confined to the more urgent matters on which authority for action is required at once by those responsible, particularly for the machinery for the civil side of demobilisation and labour resettlement and for promoting opportunities of employment. At a subsequent date I shall submit memoranda on matters which are less immediately urgent, but which form an essential part of the Reconstruction Programme. These cover (a) Social Development; (b) Agricultural Development; (c) Legal and General Questions; (d) Industrial Reconstruction.

3. Finance.

(a.) Cost.—The State, for its own imperative purposes, has destroyed in great part certain principal industries in the engineering trade and has effectually prevented the possibility of immediate re-employment in them.

I would recall attention to my memorandum (G.T.-3643) to the War Cabinet of the 10th February, 1918, with reference to the spirit in which we should approach the emergency arrangements required in the period following the conclusion of hostilities with regard to the question of cost.

From the enquiries which have been made it appears likely that after twelve months there should be abundant opportunity for employment, if tonnage is available to the extent anticipated, but that during that time we may be confronted with serious social dangers if the problems that it presents are approached in any niggardly or hesitating manner.

(b.) New Issues of Capital.—It is important also, I think, at the earliest moment at which it may be felt to be safe that considerable relaxation should be permitted with regard to new issues of capital, in particular in connection with businesses associated with export trades.


I believe that it is of the utmost importance that, as soon as it can be undertaken with due regard to the maintenance of an active public opinion on the issues of the war, an energetic campaign should be instituted for the instruction and guidance of the people as to the difficulties to be overcome in the period immediately following the cessation of hostilities. The object of this explanation of the difficulties would be to secure goodwill and an appreciation of the difficulties and inevitable delays attendant upon turning over from war to peace production.
MEMORANDUM A.

DEMOBILISATION AND RESETTLEMENT.

Government Machinery.

The demobilisation of the Forces and the resettlement of civil workers will present an administrative problem of almost unexampled magnitude. I therefore recommend that a Director-General of the civil side of demobilisation and resettlement should be appointed without delay, who should be authorised to take into his service such sections of the staff of departments concerned with war services, as have had experience of similar matters, as he may deem necessary. The Director-General should be directly responsible to the Minister of Labour and should be represented on the proposed Raw Materials Board and on the Standing Priority Council.

It may at some later date be found desirable that there should also be a Committee of Ministers of the departments directly concerned with the problem of resettlement, consisting of the Ministers in charge of the War Office, the Treasury, and the Ministries of Munitions, Labour and Reconstruction. In this connection, my proposals differ from those of Mr. Roberts in G.T.-6001.

Other proposals contained in the present memorandum are classified under two heads:

1. Civil War Workers Resettlement.
2. Military Demobilisation of the Forces and Resettlement, including Officers' Resettlement.

1. Civil War Workers Resettlement.

(a) Arrangements are being made in conjunction with the War Office for the Employment Department to schedule and to withdraw from the army or from other work members of the Employment Exchanges staff. The matter is of the utmost urgency.

(b) The Employment Exchanges and their Local Advisory Committees should take further and immediate steps to ascertain where workers are likely to be required, and what the demands of Government Departments, public authorities and employers are likely to be.

(c) Ample staff and facilities should be afforded to give effect to the recent decision of the War Cabinet with regard to the withdrawal of demobilisers and pivotal men from the army for the restoration of industry.

(d) The form set out in the Appendix to the First Interim Report of the Civil War Workers Committee for the purpose of registering war workers should be at once printed and circulated in order to facilitate arrangements for the return of workers to their former employment, or the obtaining of new employment.

(e) Immediate steps should be taken to ascertain what proportion of the women workers in munition factories are desirous of continuing in wage-earning employment, the kind of employment they have in mind, as to whether they are dependent on employment for their livelihood, and, if previously employed, whether they will be able to return to that employment.

(f) Juvenile Advisory Committees and Choice of Employment Committees should be extended wherever necessary, and closer connection established between them and Local Advisory Committees, in order to secure the fullest co-operation.

(g) With a view to limiting the numbers employed by preventing the entry of young workers into the labour market, the Board of Education should bring pressure to bear upon local education authorities to exercise their powers with regard to raising the school-leaving age to 15, at least for a limited period.

(h) Under the provisions of section 3 of the Munitions of War Act, 1917, workers are entitled to receive a week's notice or a week's pay in lieu of notice. This will stand. I recommend that during the four weeks following discharge, the workers, if unemployed, should receive a weekly payment of 30s. under the usual conditions, and that supplementary allowances be paid on the scale suggested in Appendix I.

(i) During the six months following the commencement of an armistice all workpeople should be entitled to free unemployment benefit (under the usual conditions), on similar lines to those adopted for the demobilised forces, for a maximum period of not less than ten weeks. The payment should consist of a flat rate of 20s. per week, or
such flat rate as is given to discharged soldiers under the out-of-work donation scheme. 
(See paragraph (b) of Section 2, below.)

A supplementary allowance should be made for dependent children under this scheme, as recommended in Appendix I.

During the period of six months from the commencement of an armistice, the workpeople referred to in (a) above would be entitled, at the conclusion of the four weeks there mentioned, to the benefit of this general scheme.

During this abnormal period the Trades Unions should be requested not to pay unemployment benefit to their members, and the benefits payable under the unemployment insurance scheme should be suspended.

(i) Centres should be organised in connection with the Juvenile Employment Exchanges, at which some form of instruction or occupation should be provided for juveniles for whom no employment can be found. A maintenance grant should be made to such juvenile workers on condition of attendance at the centres. The Board of Education and Ministry of Labour should be asked to prepare a scheme.

(j) With a view to diminishing the possibility of dismissal of juvenile workers, arrangements should be made with organisations of employers and employed for special apprenticeships for less than the normal period, with provision for intensive training, to meet the case of boys who have passed the normal age at which apprenticeship can be entered into. It is suggested that a scheme on somewhat similar lines to that adopted with regard to demobilised apprentices would be appropriate. The Ministry of Labour and Ministry of Reconstruction should be asked to prepare a scheme.

(II.) The Board of Trade should be authorised, through the Railway Executive, to issue, subject to the necessary conditions, one free railway pass to any person who has changed his or her residence for the purpose of taking up work on munitions or on naval or army contracts, and who desires either to return home or to take up new employment elsewhere.

(m) The Ministry of Food should be advised by the War Office, Ministry of Labour, and other Departments affected, so as to make any necessary arrangements for meeting such changes in the distribution of the population as may take place.

2. Demobilisation of the Forces.

The following matters, some of which have already been brought to the attention of the War Cabinet, are outstanding:

(a) It is important that a decision should be reached by the War Office and the Treasury with regard to the amount, &c, of War gratuity and the terminal gratuities which are to be given to members of the forces.

(b) The proposal to give out-of-work donation to men has been agreed to in principle, but the amount of the basic rate and the supplementary allowances remain to be determined. The original proposal which I made (G.T.-4771), with the approval of the Departments concerned, was that the flat rate for men should be 15s. In view of the circumstances now prevailing, I feel compelled to ask that this sum should be raised to 20s. per week for men, together with 7s. 6d. a week allowance for the first dependent child, and 1s. 6d. per week for each dependent child after the first. I have referred to this matter in Appendix II.

(c) It is proposed that the out-of-work donation should be extended to women's corps, on the same principle as for men, except that the flat rate for women should be five-sixths of the rate for men, the supplementary allowances remaining the same. This question is dealt with in Appendix II, which suggests the safeguards necessary. The original Bill, embodying the proposals in paragraph (b), should be redrafted in readiness for immediate introduction.

(d) The War Cabinet will remember that the question of the land settlement for soldiers and sailors was referred to a Cabinet Committee, presided over by the Home Secretary. As soon as the report of the Committee is in the hands of the War Cabinet an early decision upon it will be necessary, so that immediate enquiries may be instituted by the authorities proposed in the scheme, to meet the demands of soldiers desiring cottage gardens, allotments, or land for settlement.

(e) The Bill dealing with demobilised apprentices, which is being prepared on the lines of the scheme approved by the Home Affairs Committee, should be introduced without delay.

(f) I am advised that the question of transportation facilities and of accommodation as bases and ports, in France and Belgium should be investigated in conjunction with the French and Belgian authorities.
(g.) Officers' Resettlement.—The Report of the Officers' Resettlement Committee was brought before the War Cabinet on the 17th April (W.C.-393), and it was decided that General Smuts should consider the question of publication in consultation with Lord Milner and myself. We are agreed that publication is desirable and necessary, but in the first instance the following matters should receive the approval and authority of the War Cabinet:

(1.) The Officers' Resettlement Sub-Committee recommend that—

(i.) From the first day of demobilisation and for one year after all permanent appointments in the Civil Service should be reserved for ex-officers and ex-soldiers.
(ii.) That the period of service with His Majesty's forces should count as service in the appointment to which the individual is posted, and the commencing salary should be that which would have been reached in the same time by the usual increments of the appointment.
(iii.) That open competitive examinations should be replaced by a method of selection during the first year of demobilisation.

These suggestions have been remitted by the Treasury to a Committee set up by the Chancellor of the Exchequer to consider the whole question of the recruitment of the Civil Service after the war, but it seems to me highly desirable that an early decision should be taken on the matter as it affects officers and publicly announced. It seems also to be desirable that the Board of Trade, the Department of Overseas Trade, and the Foreign Office should consider similar plans with regard to diplomatic and consular appointments, and that the Board of Education should prepare plans in consultation with educational authorities, with a view to making the teaching profession readily accessible to ex-officers and those of similar station in life.

(2.) It is the experience of the Appointments' Branch which has been constituted on the recommendations of the Officers' Resettlement Committee that, whereas a very high proportion of discharged officers are, in a commercial sense, unemployable, there is no difficulty in placing those who avail themselves of the officers' University Training Classes for training. The training or education of young ex-officers seems, therefore, to be most important from a national point of view, and provision should be made for this purpose, not only by means of existing educational courses, but also by special courses where that is necessary. In some cases the organisation of courses will not suffice. It may be necessary for the State to help some of the persons concerned to meet the cost of their education while under tuition. The Officers' Resettlement Sub-Committee proposed that the investigation of such cases be entrusted to a special training Committee, and such a Committee has been appointed under the chairmanship of Sir Alfred Keogh. It is suggested that the responsibility for the provision of education be undertaken by the Board of Education in consultation with the Scottish Education Department and with the Departments concerned. The Board of Education should be entrusted with the power of defraying fees, cost of maintenance, &c., on the recommendation of the Training Committee, subject to the sanction of the Treasury.

The details of this scheme are now under the consideration of the Training Committee, but it seems desirable that the War Cabinet should, at this stage, indicate their general approval of some system of grants and maintenance on these lines.

3. The Officers' Resettlement Sub-Committee also recommend that the claim of the families of ex-officers to be repatriated at the public expense wholly or partially, be admitted in principle, and further, that it be recognised that an ex-officer is entitled to help in reaching a home overseas situated in some country other than that in which he joined the Forces. This question is under the consideration of a Treasury Committee, appointed at the request of the War Office under the chairmanship of Mr. Graeme Thomson, of the Ministry of Shipping, and it would appear to be a matter which calls for a decision as soon as may be found possible.

4. I recommend that the War Office should be authorised to grant short leave to officers prior to demobilisation for the purpose of interviewing possible employers.

5. A scheme has been prepared by the Military Service (Civil Liabilities) Department for the continued existence of the Department with an Advisory Committee after the war. Their report, which was presented to the President of the Local Government Board, has an important bearing on our resettlement plans, and I should be glad to learn that the recommendations of this report, with which I agree generally, are, subject to the observations of the President of the Local Government Board, to be approved in principle, and effect given to them.
MEMORANDUM B.

MATTERS AFFECTING THE PROVISION OF EMPLOYMENT.

1.—Preliminary.

On this subject there are two preliminary considerations as affecting the future policy which it is important to mention:

1. Ministry of Supply.

Are we to contemplate moving towards the creation of what in effect will become a Ministry charged with the Supply of National Requirements? I think that the experiences of the war clearly indicate that much advantage will arise from concentrating, so far as possible, the supply of Government requirements in one Department. This matter was considered by Lord Inchcape's Committee, and, although they proposed an intermediate course during the war, they plainly regarded the creation of such a Ministry as of advantage. I think we should contemplate that the Ministry of Munitions provides the basis of such a Ministry in the future.

2. The Production of Armaments.

It is clearly impossible at this stage to forecast our requirements after the war for armaments, but the destination of several Government factories, and the policy which may be pursued by very important firms, would depend upon the decision as to whether or not we should retain such a number of factories as would be able to produce the ordinary requirements of such a standing army as we may require to maintain after the war.

II.—Armistice Arrangements.


The Ministry of Munitions and other contracting Departments should be authorised to exercise their discretion in the use of the Break Clause in respect of particular contracts with the consent of the Treasury, with a view to mitigating hardships likely to arise in the transition from war to peace industry.

2. Short Time.

So long as the production of munitions or other war materials continues, and in connection with the handling of stores, contracting Departments should, if circumstances require it, distribute employment as widely as possible by means of a short-time system. In such cases a corresponding proportion of the weekly time-wage should be paid plus war bonus, the minimum wage being decided by the Ministry of Munitions and other Departments concerned.


Arrangements should be made at once whereby the Department concerned should be able to release to manufacturers now engaged on war work such raw materials as can be spared to enable them to accumulate working stocks, and to devote a proportion of their capacity to the preparation of patterns, gigs, gauges, tools, machinery, and samples for peace production.

Note.—The Cabinet will remember that I have already pointed out that this may give rise to labour difficulties with regard to utilising the services of dilutees. It may also be necessary to offer explanation to the United States Government with respect to this problem.

4. Machinery.

The Ministry of Munitions should be authorised to give every possible facility to manufacturing firms to obtain the machine tools which they require for post-war work, and complete its arrangements for assisting in any re-distribution of tools that may be found to be necessary.

5. Orders.

(a.) As soon as practicable firms should be notified by the contracting Departments of their freedom (subject to such regulations as to priority as may subsequently
be found necessary) to accept orders on an ordinary trade basis; and the Departments should also be authorised to assist in the placing or allocation of orders for work, so far as the industries may require it, particularly in connection with the requirements of overseas Governments and public authorities. In this connection it is important that the contracting Departments should co-operate with the Department of Overseas Trade with a view to giving early effect to the decision of the Economic Defence and Development Committee (8th Minutes) in connection with the formulation by an Inter-Governmental body of the requirements of devastated countries.

(b.) The different Government Departments should be instructed to take immediate steps to formulate their requirements and to encourage public bodies and private employers to place contracts, if necessary at provisional prices, either directly or (in the transitional period) through the contracting War Department, as may be found to be desirable.

In my opinion, however, it is desirable that contracts so fixed should be subject to review by an independent body, commanding public confidence.

(c.) In this connection the proposals of the Ministry of Munitions with respect to their allocation of work to the steel and iron industries are of special importance.


A number of valuable suggestions has been made by the Engineering (New Industries) Committee, working in different branches of the engineering trade, with the assistance of the officers and firms connected with the Ministry of Munitions. I suggest that the Ministry of Munitions should be authorised, in consultation with the Main Committee, to assist in the spread of this information, and to provide what help may be possible in connection therewith in the industries affected.


I concur in the recommendation of the Minister of Munitions with regard to the disposal of national factories, and it is important in this respect, that the results of the statement of requirements by Government Departments at home and overseas and obtained from public authorities should be made available for the Department of the Ministry dealing with this matter, as soon as possible.

In this connection, it will be remembered that certain groups of factories are reserved under the recent Cabinet decision, such as may possibly be suitable for the manufacture of Government or public requirements; and I recommend that during the transition period such manufacture should be carried on in these factories wherever it appears to be required for securing employment.

In this connection also, it is important that the President of the Board of Education, as a part of the proposals indicated in memorandum A, should be afforded full opportunities for considering the factories available with regard to their suitability for the purpose of training or technical instruction.


It is desirable to urge both central and local authorities (either generally or in particular areas) to expedite the execution of works and repairs which have been suspended on account of war conditions as the material becomes available. In order that any advice of this kind may be effective, it would be necessary for the Government to be prepared to remove existing restrictions on borrowing for these purposes. This is particularly important in connection with—

(a.) Housing;
(b.) The Road Board programme for road improvements;
(c.) The afforestation scheme;
(d.) Any land reclamation schemes which the Cabinet Committee may sanction with regard to the proposals of the Board of Agriculture;
(e.) Any proposals which the Canal Commission may make to the Board of Trade, as the result of their enquiry into our canal system;
(f.) Power Stations. In this connection, an early decision is necessary on the proposals which have been made by Sir Archibald Williamson’s Committee.


I attached herewith (Appendix III) the report which I have received from the Interdepartmental Committee, which has been engaged for some time past in considering the pooling of stores and the clearance of lines of traffic in connection with the
demobilisation of war stores, and I urge that the appointment of the Executive therein recommended should be made forthwith.

10. Surplus Stores.

The Cabinet decided on the 17th October, 1918 (W.C. 488/8), that a Special Committee of Ministers should review the present position.


(1.) Provisional Programme.—In consultation with the Shipping Controller and Supply Departments, I have already made an emergency survey of the stocks and requirements, so far as existing information goes, of the principal raw materials, and this programme is being collated, in consultation with the Ministry of Shipping and Statistical Department of the Board of Trade, and guidance is being obtained from the control agencies and trade bodies in connection with industrial requirements, with special regard to the provision of employment.

(2.) Central Raw Materials Board.—In consultation with the Colonial Office, I have already submitted (E.D.D.C. 47) detailed proposals as to the establishment of a Central Raw Materials Board, which would work under the authority of the Cabinet Committee, presided over by Mr. Long, and a decision on these proposals should, I urge, be taken immediately. The work of the proposed Board would form an essential preliminary to any Peace Conference in which raw materials are discussed.

(3.) Inter-Ally Organisations.—It is important that the Cabinet should at once consider the maintenance of the existing Inter-Ally organisations connected with the Allied Maritime Transport Council. I understand that Lord R. Cecil is about to circulate a memorandum to the E.D.D.C. on this subject, and that the E.D.D.C. have already instructed their secretaries to draw up recommendations on the subject in consultation with the Departments concerned.

(4.) Release from Control.—The Standing Council on Priority has now been established to deal with post-war questions of priority and bulk allocation, and I should like the confirmation of the Cabinet of the principle on which I recommend we should proceed to the effect, viz.: That at the earliest moment at which it may be safe, we should release materials from the operation of control orders.

12. Imports and Exports Bill.

It appears to me that it would be quite impossible for the Government to deal with the situation during the transitional period unless powers similar to those proposed in this Bill are taken without delay, and I strongly urge that this should be done.

13. Shipping.

I am advised that it is of the utmost importance that the Bill prolonging the powers of the Shipping Controller should be adopted without delay,

C. ADDISON.

October 19, 1918.

APPENDIX I.

Unemployment Donation for Civilian Workers.

During the transition period from war to peace every effort will be made to facilitate the restoration of normal industry and to prepare schemes for the work required to be done by public authorities, national and local. But it will also be necessary to make provision for dealing with unemployment, which may arise from temporary shortage of raw materials, dislocation and defective organisation, &c.

The Insurance Act of 1911 brought under the scheme of unemployment insurance, 2,439,000 workers. The Act of 1916 added a further 1,364,000 workers, making a total of roughly three and three-quarter millions insured workers, leaving about ten million workers for whom provision is not made. In the case of large groups such as miners, railway workers, &c., the need for provision is probably not urgent.

To pass through Parliament, a comprehensive measure of unemployment insurance, and to make the necessary administrative arrangements, would be a matter of months. It is clear, therefore, that this method is ruled out of court as a means of providing...
for assistance during unemployment during the months of transition period in the event of an early armistice.

I suggest that the principle of the out-of-work donation adopted for soldiers, &c., should be extended to the civilian population, by the distribution of free policies operative, in the first instance, for six months from the commencement of an armistice. If the need arose their currency could be further extended. The maximum period for which, during the six months, benefit would be payable, might be ten weeks.

Such a scheme would need to be universal in its application, as any attempt to limit it to munition workers would create insuperable practical difficulties and public opinion would probably demand the wider scheme.

Arrangements should be made with the Trade Unions to suspend their unemployment benefit during the period the scheme of out-of-work donation is in operation. Persons already insured must, of course, come under the non-contributory scheme, the benefits to which they are entitled being postponed.

It would be necessary to attach conditions to the receipt of benefit. These should be the conditions laid down in connection with the existing scheme of unemployment insurance, viz., the claimant would be required to attend the Employment Exchange at regular stated times and to accept suitable employment when offered.

The out-of-work donation scheme for members of the forces provides for the payment of a flat rate plus additional allowances for dependent children. This principle operates in the case of the unemployment scheme in the cotton industry. The public has become familiar with this method of disbursement through the payment of separation allowances. The scheme now proposed is designed to prevent widespread hardship, and the payment of a flat rate, irrespective of the recipients obligations, would go but part of the way to achieve this end. I suggest therefore, that the better way would be to pay benefit on the basis of a flat rate plus allowances for child dependents. In the case of civilians, &c., records already exist. It would be a matter for the Ministry of Labour to consider how the necessary information could readily be obtained in the case of civilian workers. In any case the amount of benefit, however calculated, must bear some relation to the cost of living. A non-contributory universal scheme, even though of a temporary character, will create difficulties in the way of a general contributory scheme in the future. Similarly, the adoption of a system of payment of benefit in respect of dependent children will, in a general scheme, be regarded as a precedent and a return to the flat rate system now in operation will be difficult. Notwithstanding these considerations, the suggestions made above are based upon the fact that the Government cannot face the armistice and transition periods without some such provision as is outlined here.

I therefore propose—

(a.) That free unemployment benefit should be granted to all workers during a period of six months from the commencement of an armistice, and thereafter for such period as may be deemed necessary.

(b.) That the maximum period for which benefit is payable should be ten weeks.

(c.) That the scale of benefit should be based upon the cost of living, and should consist of a flat rate, plus allowances for dependent children, as follows:—

20s. per week flat rate for men (or such flat rate as is given to discharged soldiers under the out-of-work donation scheme).
16s. 8d. per week flat rate for women (or five-sixths of the men's rate if the men's rate be varied).
7s. 6d. per week for one dependent child.
1s. 6d. per week for each dependent child after the first.

These supplementary allowances being the same for both men and women workers, subject, in the case of women, to the conditions set out in 2 of Appendix II.

APPENDIX II.

Extension of Out-of-Work Donation to Women's Corps.

I have already laid before the War Cabinet proposals for the payment of out-of-work donation to members of the Forces, which were approved. I have considered the question of the extension of out-of-work donation to women's corps, in co-operation with
the Departments concerned, and I now desire to obtain the War Cabinet's approval to the following proposals:

1. That out-of-work donation should be extended to "mobile" women enrolled under one of the fighting services for the duration of the war.

   N.B.—It is suggested that the Q.A.I.M.N.S. and the Nursing Section of the V.A.D. should not be eligible for out-of-work donation, but that they should be included in any scheme dealing with officers.

2. That the principle adopted for men of paying extra allowances for dependent children should be extended to women on the same terms, but subject to the following conditions:
   
   (a.) That no child shall be deemed to be a dependent of more than one person.
   
   (b.) That the child for whom claim is made must be dependent upon the claimant.
   
   (c.) That the claimant must prove the dependence.

3. That the flat rate for women should be five-sixths of the flat rate for men, with a minimum equal to the rate for women under the proposed extension of the National Unemployment Insurance Scheme.

The proposals for out-of-work donation may be summarised as follows:

(1.) Those eligible under the scheme will be entitled to out-of-work donation during the year following discharge, for a total period not exceeding twenty weeks.

(2.) The rates suggested for women are:

   - Five-sixths of the flat rate for men.
   - 7s. 6d. per week for one dependent child.
   - 1s. 6d. per week for each dependent child after the first.

I have been in consultation with the Chancellor of the Exchequer on the subject of the amount of out-of-work donation for men. He concurs in the proposal of the flat rate plus allowances for dependents, but I have not been able to obtain his agreement to any definite sums. The flat rate originally suggested was 15s., but in view of the circumstances now prevailing, the amount is now inadequate, and I therefore propose that the flat rate for men be 20s.

I feel that the matter is now one of considerable urgency, and I therefore ask the War Cabinet to give their approval to the proposals contained in this memorandum. It will be necessary to take powers to modify the amount should circumstances require it.

APPENDIX III.

Storage and Transit Committee: Second Interim Report.

Sir,

At the third meeting of this Committee, held on the 21st August, at which, with the exceptions of the Board of Trade and the Office of Works, representatives of all Departments constituting the Committee were present, a proposal by Sir Howard Frank, as enclosed herewith,* was thoroughly discussed, and it was unanimously resolved:

That the Committee submit an interim report to the Minister of Reconstruction recommending that he shall obtain such Cabinet or other sanction as may be necessary to constitute them an authority to exercise, during the period of the war and thereafter as long as may be desirable, the following powers:

(a.) To collect information from Departments of available storage accommodation, to act as a clearing-house of information in respect of such storage, and to allocate the same in the event of more than one Department requiring it.

(b.) To receive information from Departments as to developments during the period of the war, and to take such action as may be necessary to ensure the

* Not included in this memorandum.
effective working of any scheme recommended by the Committee and approved by the Cabinet for operation when peace is declared.

(c.) To utilise the services of such staff as may be available, or to employ such staff as may be necessary.

I am, Sir,
Your obedient Servant,
CHARLES METCALFE,
Chairman, Storage and Transit Committee.

Right Hon. Christopher Addison, M.P.,
Minister of Reconstruction.