TO BE KEPT UNDER LOCK AND KEY.

It is requested that special care may be taken to ensure the secrecy of this document.

WAR CABINET.

THE IMPORT PROGRAMME.

MEMORANDUM BY THE PRIME MINISTER.

1. WE should assume an import of not less than 31 million tons in 1941. On this basis, food cannot be cut lower than 15 million tons, and a million is required for the Board of Trade. This leaves 15 millions for the Ministry of Supply, as against 19 millions to which they were working on the 35 million programme. A cut of 4 millions has, therefore, to be made by the Ministry of Supply, for which a revised programme should be framed. Ferrous materials, timber and pulp seem to offer the main field of reduction. As we can now buy steel freely in the United States, the keeping in being of the whole of the existing steel industry cannot be accepted as an indispensable factor. We must try to import in the most concentrated forms and over the shortest routes. This principle must also influence food imports.

2. Should our total imports fall below 31 millions, the deficit should for the present be met by the Ministry of Food and the Ministry of Supply on the basis of one ton cut in food to two tons in supply. Should the imports exceed 31 millions, the benefit will be shared in the same proportion. The position will be reviewed in the autumn, when this year's harvest is known.

3. The Ministries of Food and Agriculture should, upon the basis of 15 million tons import in 1941, concert an 18 months' programme, drawing as may be necessary upon our meat reserves on the hoof to cover the next six months, but endeavouring to provide by concentrated imports the most varied dietary possible for the nation at war. By taking a period as long as 18 months, it should be possible to avoid hurried changes in policy, to use reserves as balancing factors, and to make the best use of the assigned tonnage.

March 26, 1941.

W. S. C.