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## WAR CABINET.

### POST-WAR AGRICULTURAL POLICY.

#### MEMORANDUM BY THE HOME SECRETARY.

CONSIDERATION of the Minister without Portfolio's Memorandum (W.P. (43) 103) at the present time brings forward certain important issues of procedure as well as issues of substance which are inherent in the proposals.

2. The Reconstruction Problems Committee has proposed that the general policy be accepted by the War Cabinet as a basis for discussion, first with agricultural interests at home and then with the Dominions and India, without any commitment in either policy or finance, either express or implied. To me, this appears a contradiction, if not in terms then certainly in substance. The discussion with farmers in this country of a Government-sponsored scheme guaranteeing the maintenance of a particular agricultural pattern which some sections of them would find highly acceptable from their sectional point of view, would involve either a moral commitment or a subsequent and very serious political embarrassment—one or the other. Discussions with the Dominions would simply bring down upon us a forcible expression of the strong objections they would obviously feel to some aspects of the policy, and a demand to know whether it was or was not our policy, and whether the discussions with our own farmers meant anything or not.

3. Both sets of discussions, if they were not intended to be public, would very soon become so, and the Government would have to make up its mind, not quietly and upon merits, but in the midst of multilateral action by a complex of pressure-groups.

4. I am firmly of opinion that government ought not to be carried on in this way if we can possibly avoid it, and I urge that the Cabinet should not decide to initiate discussions except on the basis of a policy whose general lines are broadly agreed.

5. I therefore address myself to the question whether we ought at this stage to accept the broad policy now before us.

6. These issues of procedure then arise:—

(a) Is it necessary to accept a commitment of some £50 million in relation to a particular field of policy when the Government has recently refused to accept financial commitments in respect of the Beveridge Plan until it is possible to make some general forecast of the financial implications of post-war policy as a whole?

(b) Apart from this political difficulty, is it necessary to enter into a large implied commitment in relation to one particular industry without being able to forecast the effect of that commitment upon the Government's ability to meet the claims and needs of others not yet fully considered?

(c) We are on the eve of the Food Conference in the United States, which will meet against the background of, and may well lead on to subsequent discussion of, wide issues of international commercial

policy. Would it be appropriate for Britain just at this stage to show signs of adopting a policy involving special protective measures for the British food-producing industry? Is this unilateral action a good opening for the Conference, or a good lead to other Governments who may feel that their case for such measures is at least as strong as our own?

It appears to me that these issues arise and must be faced irrespective of the view that may be taken of the merits of the proposals now before us.

7. There are issues of another kind affecting the substance of the Report, upon which I feel myself much in need of further enlightenment before I could feel content to come to any conclusion, *pro* or *con*, on a matter so deeply affecting the national welfare and the position of the country in world trade. They are as follows:—

- (a) What would be the effect upon agricultural policy of approaching the question primarily from the point of view of national health and nutrition? How far would a policy that might arise from this approach coincide with the policy now put forward? If it differed in any respect would it form an equally good basis of livelihood for a healthy agriculture of reasonable size? Would it make less or more demand upon the Exchequer? Would it require less or more protection?
- (b) Assuming that there will, in any event, be the need for some public support of agriculture, what are the respective merits of the various possible methods by which this support may be given—tariffs, bulk purchase and the fixing of prices, or direct subsidies shown upon the Budget? What are the effects of these various methods upon world trade and the expansionist economic policies which it is desired to pursue after the war? What are the possibilities of each when it comes to adapting financial help to the differing natural costs of agriculturalists in different circumstances?
- (c) What is to be the future organisation of food distribution in Britain? Are substantial economies envisaged? How far has this question a bearing upon the future of agricultural policy in its relation to Exchequer costs and to the national standard of living?

8. I am strongly of opinion that decisions upon agricultural policy, as upon other matters, must be taken before the end of the war, and in time to enable the necessary preparations to be made. But I do not see that the application of this principle requires any immediate and binding decision in the case of an industry whose present security is fully guaranteed, whose prosperous future has already been announced as a prime aim of post-war policy, and whose actual change-over from a war-time to a peace-time basis of production must in any case await the complete defeat of the German blockade.

9. Even if there were a stronger case for immediate decisions than any that I can see, I would be much concerned by the difficult questions of procedure to which this paper makes reference in paragraph 6.

10. And finally, without departing in any way from the general principle that prosperous, stable and extensive post-war agriculture must be a prime aim of public policy, I feel that there is more exploratory work to be done into questions of ways and means.

11. I suggest that the consideration of the three points of substance above set out, as well as further consideration of the financial relationship between agriculture and other post-war claims, should be remitted to the appropriate Committee of the War Cabinet, which would appear to be the Reconstruction Priorities Committee.

H. M.

Home Office,  
April 13, 1943.

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