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*Circulated 20.12.44 (6.00pm)*

*Printed for the War Cabinet. December 1944.*

SECRET.

Copy No. 36 ✓

W.P. (44) 753.

19th December, 1944.

**WAR CABINET.**

**COLONIAL DEVELOPMENT AND WELFARE.**

**MEMORANDUM BY THE SECRETARY OF STATE FOR THE COLONIES.**

IN my paper circulated as W.P. (44) 643, I made proposals for the extension of the Colonial Development and Welfare Act 1940 and an increase in the financial provision therein. These proposals were discussed at a meeting of the War Cabinet on the 21st November (W.M. (44) 152nd Conclusions), when the difficulties of accepting the full financial liabilities involved in my proposals were pointed out, and a suggestion was made for an alternative scheme which would get over the difficulty of the present arrangement under which the amount of the sum nominally available each year, which is not actually spent, lapses completely.

2. I have now discussed with the Chancellor of the Exchequer, and reached agreement with him subject to confirmation by the War Cabinet on the following proposal. The Amending Act will authorise a total expenditure not exceeding £120,000,000 over the ten-year period commencing the 1st April, 1946, subject to the actual expenditure under the Act in any one financial year not exceeding £17,500,000. The global figure of £120,000,000 will be inclusive of expenditure on research at present separately provided for and of expenditure on higher education which is in contemplation. In order to preserve the principle contained in the present Act, there will be no limit of time on research expenditure, but after the expiry of the ten-year period (and on the assumption that no further extension is made in due course), research expenditure will be limited to £1,000,000 per annum.

3. These proposals compare with my original suggestion of £150,000,000 in all, made up of £10,000,000 per annum for the first three years, £15,000,000 per annum for the next four, and £20,000,000 per annum for the last three. The greater elasticity of the new scheme will partly compensate for the smaller global figure provided, and under it I should feel able to proceed with comprehensive and intelligent planning of development programmes for the Colonial territories. I believe, however, that it is the minimum provision on the basis of which such comprehensive planning is possible.

O. S.

*Colonial Office,  
19th December, 1944.*





