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War Cabinet minutes - Minute numbers 343 to 520

WAR CABINET

MINUTES

343 - 520

MINUTES

of

WAR CABINET MEETINGS.

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VOLUME III.
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WAR CABINET MEETINGS.
VOLUME III.
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MINUTES

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WAR CABINET MEETINGMELBOURNE, 17th JUNE, 1940.FULL WAR CABINET.

PRESENT: The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
 The Hon. J.V. Fairbairn, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

(343) AGENDUM No. 140/1940 - PROVISION FOR ADDITIONAL HUTTED ACCOMMODATION FOR 30,000 MEN.

War Cabinet approved of the provision of additional huttred accommodation for 30,700 men and for the housing of related Ordnance, Supply and other services, at an estimated cost of £2,000,000.

The proposed location of additional camps was noted, together with the fact that with the approval now given, the total huttred accommodation available would provide housing for 68,700 men, and that the balance of the 114,000 troops for whom accommodation was required would be housed in tents.

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(344) CONSTRUCTION OF MILITARY GENERAL HOSPITAL AT YARALLA, NEW SOUTH WALES.

(Previous reference - War Cabinet Minute No. (335)).

The above subject was submitted by the Minister for the Interior without an Agendum.

War Cabinet approved of the plans submitted by Messrs. Stephenson & Turner for the General Military Hospital at Yaralla, N.S.W., at an estimated cost of £760,116, made up as under :-

Estimate "B" - 600-bed hospital with services and staff quarters to serve 240 beds in pavilion wards in addition to 600 in main block	..	..	£653,600
Cost of roads and contingencies	..	..	25,000
Furniture, etc.	40,000
Clerk of Works	800
Architects' fees	40,716
			<u>£760,116</u>

Army
Air
Interior ✓

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War Cabinet noted :-

- (a) That an amount of £171,825 had already been approved for temporary buildings and pavilion wards, which are to be erected by contract under the supervision of the Department of the Interior.
- (b) That under the most favourable conditions, the main block could not be completed until the end of November, 1941.

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Secretary.

PRIME MINISTER.

INVICTA BOND

MINUTES

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WAR CABINET MEETINGMELBOURNE, 18th JUNE, 1940.FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
 The Hon. J.V. Fairbairn, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

(345) STRATEGICAL APPRECIATION IN RELATION TO LOCAL DEFENCE -
THE EFFECT OF THE POSSIBLE OCCUPATION OF THE NEW
HEBRIDES AND NEW CALEDONIA BY JAPAN.

(The three Chiefs of Staff were present for the discussion of this subject).

Consequent upon a press report that the probable peace terms to be imposed on France by Germany and Italy would include allotment to Japan of the New Hebrides and New Caledonia, the War Cabinet consulted the Chiefs of Staff in regard to the possible courses of action that might be taken.

The Chief of the Naval Staff pointed out that a condominium existed in the New Hebrides, and failing the continuance of French participation it was assumed that the British would remain in sole charge. New Caledonia, on the other hand, is a purely French possession. The Chief of the Naval Staff advised that should the Commonwealth decide to carry out a military occupation of these islands it would be unable to hold them against Japanese action, because of the superior sea-power of Japan.

The Chief of the General Staff feared that the occupation of New Caledonia might give the Japanese a precedent for seizing the Netherlands East Indies, though the same deterrent to action, in the shape of the United States Fleet, might exist in this case also.

Reference was then made to the possibility of invasion of Australia by Japanese action, and whether action should be taken to reinforce Darwin and Port Moresby.

The Chief of the Naval Staff stated that, if Japan should come in and U.S.A. should not, there would be no point in holding Darwin, and the naval oil supplies there should be drained in such a contingency. The whole position in regard to the defence of the northern part of Australia hinged on a battle fleet based

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at Singapore. If such was not possible, the situation became radically changed.

The Chief of the General Staff was of the opinion that Japan's attack would be against British naval forces and bases, and with their defeat and capture Japan could bring the Commonwealth to terms by the exercise of sea-power alone, without the need for invasion.

Questions were then raised as to the scale of attack against which preparations are being made by the Australian Defence Forces. The Chief of the General Staff stated that the provision of munitions was being based on the minor scale of attack, plus the requirements of the A.I.F. Figures on this basis had been furnished to the Director-General of Munitions as an indication of the initial requirements of the Army, and not as a final statement of objectives. The latter would be furnished when the Director-General had commenced production.

The Prime Minister pointed out that the basis of the Government's defence measures in peace had been the continual development of an effective policy, the first objective of which had been laid down by the Government's advisers as the completion of the defence against the minor scale of attack. Some time before the war a programme for the expenditure of £43,000,000 had been approved. This had subsequently been increased to £63,000,000 and expanded to greater dimensions after the Munich crisis. The present position in regard to the Services was that the Navy had in commission all the ships that we could obtain or build. The strength of the Army for local defence was being increased to 250,000 men. The Air programme was based on the early completion of the Salmond Scheme, plus our contribution to the Empire Air Scheme. In regard to munitions, the Director-General had been informed that the sky is the limit and time is the essence of the contract. He had a mandate for the production of the greatest possible quantity in the shortest possible time. 413

It was generally agreed that the Services and the Munitions Department had been set maximum objectives. It was also decided that the Prime Minister should despatch an urgent cablegram to the Dominions Office regarding the New Hebrides and New Caledonia. 403

(NOTE: The following cablegram was subsequently approved by the Prime Minister :-

"His Majesty's Government in the Commonwealth of Australia has under consideration the terms that might be imposed on France and the possibility as reported in press that the French possessions in the Pacific, particularly the New Hebrides and New Caledonia, might be allotted to Japan.

"We are naturally greatly concerned at such a prospect and would be glad of urgent advice on this matter.

"The main alternatives appear to be :-

- (1) That U.S.A. might exercise the same deterrent effect as in the case of the Netherlands East Indies;

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- (ii) That we might take action to forestall Japan by occupation with our forces. However this might furnish a precedent to Japan for action in the Netherlands East Indies. We also realise that Japanese sea-power could render impossible the maintenance of such forces. On the other hand, it is necessary to weigh whether Japan would risk war with the Empire and U.S.A. over these islands.

"The earliest possible advice would be appreciated.")

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- (346) AGENDUM No. 137/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 22 - WEEK ENDED 15th JUNE, 1940).

(The three Chiefs of Staff were present when the above Agendum was under discussion).

The Naval, Army and Air reports were noted by War Cabinet after a general discussion had taken place on the international situation, vide Minute No. (345).

- (347) SUPPLEMENT No. 4 TO WAR CABINET AGENDUM No. 22/1940 - ORGANISATION AND WAR ESTABLISHMENTS, A.I.F.

(Previous reference - War Cabinet Minutes Nos. (285) and (212)).

War Cabinet noted that the organisation and establishment tables of the A.I.F. were based on the British Army organisation. The total strength of Corps Troops, 6th, 7th and 8th Divisions and Base and Line of Communication Units will be 65,665, and first reinforcements 6,724.

Army
Ministry
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- (348) SUPPLEMENT No. 2 TO WAR CABINET AGENDUM No. 116/1940 - ALLOWANCE IN LIEU OF QUARTERS AND RATIONS - ROYAL AUSTRALIAN AIR FORCE.

(Previous reference - War Cabinet Minute No. (316)).

It was decided that this question be referred to the Treasury Finance Committee in full session for early consideration and report to War Cabinet.

War
Cabinet ✓
Army
Ministry

A statement is also to be prepared showing briefly the bases of the rates of pay and lodging and ration allowances for each arm of the Service (and for sections within each arm, where dissimilar bases operate), together with an indication of the estimated cost for each section if payment of a subsistence allowance of 4/4d per day be approved for those members who, for Service reasons, are required to make their own arrangements for accommodation and rations.

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MINUTES

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WAR CABINET MEETINGMELBOURNE, 19th JUNE, 1940.FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General. (Present for discussion on Minute (349) only).
 Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
 The Hon. J.V. Fairbairn, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

(349) DEPARTMENT OF INFORMATION.

Sir Keith Murdoch, the newly appointed Director-General of Information, was present to outline his views regarding the organisation of the Department of Information and to discuss various aspects with members of War Cabinet. The following were the main points mentioned by the Director-General :-

1. Editorial:

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- (i) Special men of the news editor type are to be allotted to the Navy, Army, Air, Munitions and Supply Departments for freeing news from these Departments and tracing the causes of major complaints in order to eliminate criticism.
 - (ii) The existing publicity and press relations officers in Departments will come within the range of the Information organisation and be assistants to the Information representatives.
 - (iii) The press should still have access to the Minister on matters on which an authoritative expression of opinion is required. The Information representative should be present at press interviews.
 - (iv) The Director-General's conception of the Department of Information is that it should be a Department of expression, except in respect of information of use to the enemy. If criticism would be damaging to the national war effort, it should be suppressed. The Director-General disagreed with the suggestion that all letters and articles should have appended the name of the author. It was a traditional practice of the press to provide for anonymity where necessary, and he

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strongly advised against any deviation from this principle. Censorship should, however, be extended to the information contained in such articles and letters.

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- (v) A regulation should be passed to insist on a journal publishing the truth in an appropriate form if required to do so.
- (vi) It would be valuable to establish a service for ascertaining what a typical cross-section of the public mind is thinking on important questions. It would be necessary to do this in an obscure manner and for the information to be ascertained by a non-Government authority, the Government, however, providing for the necessary cost. The results should not be made known without authority, and the Director-General would consult the Prime Minister as to the questions on which it was desired to seek a test of public opinion.
- (vii) The importance of the American news service, conducted through the Australian Associated Press, was emphasized and it was considered that a similar service to the United Kingdom should be organised.

2. National Organisation,

- (i) The Department of Information should have an outstanding public person as its representative in each State, and he should be an individual who would be persona grata to the press.
- (ii) Local committees should be organised on the basis of municipalities to cover all national war activities, such as recruiting, patriotic funds, war loans, &c. These would be stimulated by broadcasting and the organisation of rallying points.
- (iii) To bring prominent people in the various centres into direct touch with the spearhead of the national war effort, it was suggested that visits to Service establishments and factories should be arranged.

3. Broadcasting:

- (1) After consultation with the Australian Broadcasting Commission and commercial stations it was proposed :-
 - (a) To have a fixed evening time for authoritative commentaries. The commercial stations were prepared to give time for this purpose, but their landline and recording cost should be paid by the Government. A regulation should also be passed empowering a commercial station to transfer an advertiser's time to another period in the programme if necessary.
 - (b) To introduce picturesque description amongst news information.
 - (c) To have a special regular announcer for the more important statements.

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- (d) To allot an hour on Sunday nights for the ethical aspect of the war.
- (e) To punctuate the normal daily programme of broadcasting stations by statements from the Department of Information.
- (ii) An executive body for the direction of policy in regard to broadcasting is proposed. This would be representative of the Australian Broadcasting Commission, the commercial stations and the Department of Information.
- (iii) The broadcasting stations desire that the executive body should be a clearing house for all requests for broadcasting on the national effort.
- (iv) The Australian Broadcasting Commission and commercial stations will carry on as at present, but insofar as they are media for contact with the people on the national war effort, their activities will be controlled by the Department of Information. This gives rise to the relation of the Postmaster-General, as the authority controlling broadcasting stations, and the question was reserved for consideration by Full Cabinet.
- (v) In view of the regular groups of listeners built up by each broadcasting station through its particular technique and appeal, the importance of maintaining the individuality of stations was emphasized.
- (vi) In regard to suggestions made by Ministers for the improvement of the B.B.C. news bulletins, the Director-General undertook to consider any improvements which it might be possible to arrange.

4. Motion Picture Facilities:

Full use is to be made of the motion picture industry for information and propaganda purposes.

5. General:

- (i) The Director-General desired that authority be given to him to incur expenditure within certain limits, and the Prime Minister said he would arrange for this.
- (ii) The Director-General considered that great value could be obtained by a visit of a Mission from England for lecturing and broadcasting purposes.
- (iii) The Director-General proposed the setting up of a Suggestions and Voluntary Effort Branch to deal with the numerous suggestions for the conduct of the national war effort and offers of services. The Prime Minister did not desire that in its early stages the Department of Information should handicap its primary activities by covering too wide a field, and observed that the widespread organisation of offers of services would come within the scope of a Department of National Service, if and when such should be found to be necessary.

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(350) EMPLOYMENT OF ITALIANS ON THE QUEENSLAND CANEFIELDS.

(The Hon. A.W. Fadden, M.P., Assistant Treasurer, was present for the discussion of this item).

The Minister for the Interior and the Assistant Treasurer stated that trouble had arisen in regard to the employment of Italians as cutters on the Queensland canefields. The Minister for the Interior also stated that he had discussed the matter with the Premier of Queensland, who is at present in Melbourne.

After discussion it was considered that preference in employment should be granted to British subjects, who might be either British born or naturalised Italians, but unnaturalised Italians should not be given employment to the exclusion of British subjects. It was also decided, in response to representations received from Queensland, that a meeting to be held at Tully tonight should be prohibited, but after the Assistant Treasurer had communicated by telephone with representatives of the industry, it was stated that there was no need for action by the Commonwealth Government in the matter.

(351) AGENDUM No. 142/1940 - AMENDMENT OF NATIONAL SECURITY ACT 1939.

The draft Bill for the amendment of the National Security Act was considered, and the following decisions given :-

- Section 6(a) - to be deleted.
- Section 8 - Delete from second paragraph of new Section 13A the words "Naval, Military or Air Forces."
- Section 9 - This was queried for further consultation between the Prime Minister and the Solicitor-General.

(352) BLANKETS.

The Prime Minister read a telegram despatched from the Department of Supply to owners of woollen mills, urging them to speed up the production of blankets. The Prime Minister added that a leading millowner had brought to his notice the following considerations which he thought were impeding the production of the large output that was required :-

- (i) The blankets are required to be all wool. The bulk of the mills are organised to produce a blanket with a woollen warp and a cotton weft, whereas few can produce the all woollen article.
- (ii) The three Services specify blankets which are different in colour and measurement from each other.

It was decided that the Business Board should investigate the matter to ascertain the position, consider what measures are necessary for standardisation, and submit to the Minister for Co-ordination a report on the action recommended.

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(353) CLOTHING AND CLOTHING MATERIALS - ARMY.

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The Prime Minister brought to the notice of War Cabinet Business Board Minute No. 686, in which the Board stated that for some weeks it had been greatly concerned at the position in regard to clothing and clothing materials, particularly in respect of deliveries of underclothing and khaki cloths.

The Minister for Supply stated that the position was much better than the statement before the Business Board, owing to the present and prospective rates of deliveries. It was noted that the Business Board had made arrangements for a statement to be supplied by the Department of Supply and Development, showing specified deliveries under contracts let, and for particulars to be furnished of the machinery operating to ensure compliance with such specified deliveries.

A discussion arose on this subject regarding machinery for ensuring early deliveries and the responsibilities for inspection of supplies and payment of accounts.

It was explained by the Secretary, Department of Defence Co-ordination, that the practice which had obtained in the unified Defence Department, where the Contract Board was part of the machinery of the Munitions Supply Branch, was for the votes for the various supplies to be provided under the respective Services. The Naval, Military and Air Boards were responsible for the administration and control of their respective Services and for the allocation of the total annual allotment of funds to the purposes on which they should be spent. The Contract Board was the central purchasing medium for determining the cheapest and best source of supply, in accordance with the provisions of the Audit Act and Treasury Regulations.

Under the unified Defence Department, the Inspection Branch, except for the Navy, was part of the Munitions Supply Branch. On the formation of the Department of Supply it had been decided that all inspection should be controlled by the respective Services. The Army had therefore taken over its own Inspection Branch, and the Air Force had recently been building up an inspection staff.

The payment of accounts is undertaken by each Service, because of the following considerations :-

- (i) The orders on contractors are placed by them on the Contracts Authority requisition, which is issued when contracts are let.
- (ii) The examiners of the Inspection Staff must issue certificates that deliveries comply with patterns and specifications.
- (iii) The Stores Officers must certify to the receipt of deliveries from contractors.
- (iv) Some contracts are of a period nature, ordering being at the discretion of the ordering officer.

As previously stated, the votes are also under the control of each Service for reasons of higher policy and administration.

War Cabinet decided that the Business Board should be

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asked to report on the machinery for demanding, supplying, ordering, inspection, following up deliveries, and payment of accounts, with particular reference to the present allocation of these responsibilities, the efficacy of their performance and whether any change is desirable in the whole or any part of Service supplies.

(354) CONSTRUCTION OF MILITARY GENERAL HOSPITAL AT HEIDELBERG, VICTORIA.

(Previous reference - War Cabinet Minute No. (344)).

The above subject was submitted by the Minister for the Interior without Agendum.

War Cabinet approved of the plans submitted by Messrs. Leighton Irwin & Co. for the general military hospital at Heidelberg, Victoria, at an estimated cost of £631,922, made up as under :-

Estimate, including £35,000 for furniture and furnishings	£597,380
Architects' fees	33,742
Clerk of Works - say -	800
Total	<u>£631,922</u>

It was noted that the Director-General of Works had reported that the time schedule in Mr. Irwin's report was based on the elimination of quantities, overtime being worked and priority in materials and labour, but the architects' estimate above is based on normal working hours and conditions, and prices ruling at 1st June, 1940. It was further noted that the maximum period included in the time schedule provides for ten weeks for preparation of drawings and specifications and eleven months for construction. If the method to be followed in the execution of this work involves any increase in the estimated expenditure approved by War Cabinet, it will be necessary for further Cabinet authority to be sought, after consideration has been given to the matter by the Departments of the Interior and the Army.

War Cabinet noted that an amount of £171,825 has already been approved for temporary buildings and pavilion wards, which are to be erected by contract under the supervision of the Department of the Interior.

(355) COST OF YARALLA AND HEIDELBERG MILITARY HOSPITALS.

(Previous reference - War Cabinet Minutes Nos. (354) and (344)).

The Prime Minister, who had not been present when the decision in Minute No. (344) was reached, raised the question of the cost of the Yaralla and Heidelberg hospitals, and drew attention to the fact that the Business Board had originally recommended

Army
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erection in timber and brick, the Department of the Interior having furnished the following estimates in this connection :-

	Cost in brick <u>£.</u>	Cost in timber and brick. <u>£.</u>
Sydney - 1,200 beds ..	427,745	345,750
Melbourne - 1,000 beds ..	398,745	328,750

The Prime Minister also drew attention to the observations of the special committee appointed by War Cabinet at the instance of the Treasury that the cost of the type of hospital recommended would not greatly exceed, if at all, the estimates supplied by the Department of the Interior. This had not been borne out, as indicated by the following comparisons :-

Yaralla Hospital:

	£.	£.
Original proposal for 1,200 beds with hospital built in brick ..		427,745
Estimate of architects for 600 beds	760,116	
Temporary buildings and pavilion wards for 240 beds	<u>171,825</u>	<u>931,941</u>
Additional cost, but for 360 less beds		<u>£504,196</u>

Heidelberg Hospital:

Original proposal for 1,000 beds with hospital built in brick ..		398,745
Estimate of architects for 500 beds	631,922	
Temporary buildings and pavilion wards for 240 beds	<u>171,825</u>	<u>803,747</u>
Additional cost, but for 260 less beds		<u>£405,002</u>

The Prime Minister also observed that the time factor was also not nearly as favourable, in view of the fact that the Yaralla Hospital could not be completed until the end of November, 1941, and the Heidelberg Hospital, working under the most favourable conditions, would not be finished until September, 1941. It was appreciated that in the case of the more expensive proposal for a multi-storied hospital provision was being made for a repatriation hospital for future use, but it should not be overlooked that, if hospitals are to be erected in the remaining Capitals, a demand will arise for the maintenance of the same standard of accommodation.

War Cabinet decided that the proposals for multi-storied hospitals at Yaralla and Heidelberg should be proceeded with, as approved in Minutes Nos. (344) and (354).

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287(1) (356) MUNITIONS ORGANISATION.

The Prime Minister outlined the list of business men selected for the main posts in the new Munitions Department, and intimated his intention to make a press statement on this subject.

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(357) BRITISH CHILDREN FROM OVERSEAS.

The Minister for the Interior raised without Agendum the question of the transfer of young children from the United Kingdom to Australia during the war, and on his verbal recommendation it was decided to agree to the proposal of the United Kingdom Government contained in the letter from the High Commissioner for the United Kingdom in Australia, dated 16th June, 1940.

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(358) AUSTRALIAN LEGATION AT TOKYO.

War Cabinet was of the view that immediate action should be taken to arrange an Australian Legation at Tokyo. The importance was emphasized of taking this step before the international situation deteriorated further to the disadvantage of the British Empire.

Secretary.

PRIME MINISTER.

INVICTA BOND

MINUTES

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WAR CABINET MEETING.

MELBOURNE, 25th JUNE, 1940.

FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
 The Hon. J.V. Fairbairn, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

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(359) AGENDUM No. 145³/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 23 - WEEK ENDED 22nd JUNE, 1940).

(The three Chiefs of Staff were present for the discussion of this Agendum).

WEEKLY REPORT BY THE CHIEF OF THE NAVAL STAFF.

The Naval report was noted by War Cabinet, after the following subject had been mentioned by the Chief of the Naval Staff :-

Additional Vessels for Service with the Royal Navy. (See Minute No. (360)).

WEEKLY REPORT BY THE CHIEF OF THE GENERAL STAFF.

The Army report was noted by War Cabinet, after the following subjects had been mentioned by the Chief of the General Staff or raised by War Cabinet :-

Army

A.I.F. Enlistments. The recruiting figures now exceed the requirements of the 7th and 8th Divisions and Corps Troops, including first reinforcements. The Chief of the General Staff stated that he had under consideration a recommendation regarding the manner in which further personnel should be organised.

With regard to enlistments by members of the Militia Forces in the A.I.F., the Chief of the General Staff stated that the A.I.F. should have priority, but the position in relation to the Militia Forces would be kept constantly under review. The Prime Minister stated that it would be for the Chiefs of Staff to submit advice on the military position when the centre of gravity in their opinion moves from the A.I.F. to Home Defence, but it would be for the Government to decide the course of action to be taken in the light of the international situation.

With reference to the enlistment of aliens in the A.I.F., and War Cabinet Minute No. (127), it was stated that after the exclusion of enemy aliens the remainder would be a relatively small figure, and with the trend of events the neutrals of today might be the enemies of tomorrow. It was decided that the Defence Committee should report as to whether there was any manner in which aliens could be employed in a non-military capacity, if necessary by the exercise of compulsory powers.

S.D.C.

WEEKLY REPORT BY THE CHIEF OF THE AIR STAFF.

The Air report was noted by War Cabinet after the following subject had been mentioned by the Chief of the Air Staff :-

Despatch of two additional Squadrons to Singapore. (See Minute No. (360)).

(360) AGENDUM No. 139/1940 - STRATEGICAL APPRECIATION IN RELATION TO EMPIRE CO-OPERATION AND LOCAL DEFENCE.

(Previous reference - Full Cabinet Minute No. F.C.22).

(The Chief of the Naval Staff and the Chief of the Air Staff were present for the discussion of this item).

When the weekly reports by the Chiefs of Staff were under consideration, vide previous minute, the Chief of the Naval Staff raised a question on the proposal for additional naval assistance, and the Chief of the Air Staff the proposal for the despatch of two further squadrons to Singapore, as submitted in Agendum No. 139/1940.

Both Chiefs of Staff informed Cabinet that, in their opinion, the defection of France strengthened rather than weakened the recommendations originally made by them. War Cabinet accordingly approved of the following :-

- (i) One armed merchant cruiser, one sloop at once and a further sloop at the end of July to be made available to the United Kingdom Government for use in the East Indies.
- (ii) One extra squadron of Hudsons and one squadron of Wirraways to be made available to the United Kingdom Government for employment to release R.A.F. units at Singapore.

Navy.
Gosroy

Air.
Terry

Cable to U.K.

Advice will be forwarded to the United Kingdom Government accordingly.

(NOTE: The other aspects of Agendum No. 139/1940 were not dealt with.)

(361) AGENDUM No. 145/1940 - REPORT No. 2 BY THE DIRECTOR-GENERAL OF MUNITIONS.

(The Director-General of Munitions was present for the discussion of this Agendum).

No action

The Director-General of Munitions traversed his report, which was noted by War Cabinet.

(362) AGENDUM No. 144/1940 - SITE FOR No. 2 FILLING FACTORY.

(Previous reference - War Cabinet Minute No. (277)).

(The Director-General of Munitions was present for the discussion of this Agendum).

*Munitions
S.D.C.
Treasury.*

War Cabinet approved of the recommendation of the Defence Committee that No. 2 Filling Factory be located at Adelaide, as this was considered to be the most satisfactory site from both the Defence and manufacturing points of view. It was also noted that the expansion of manufacturing facilities will involve the establishment of a group of manufacturing units for the production of components to feed the filling factory, and that these should be located close to the latter.

(363) AGENDUM No. 141/1940 AND SUPPLEMENT No. 1 - REVIEW OF PRODUCTION OF WAR MATERIAL - ARMY.

(The Director-General of Munitions was present for the discussion of this Agendum).

*Munitions
Geny.
Army.*

The programme of war material for manufacture in Australia submitted by the Department of the Army was approved as an objective for the guidance of the Director-General of Munitions. It was noted that expenditure of approximately £68,000,000 additional to the present Programme is involved.

Authority was given also for the immediate placing of demands on the Department of Munitions to ensure the attainment of maximum productive capacity in the shortest possible time.

Estimates of the annual authorisations and expenditure involved in the Service requirements are to be prepared for submission to the Department of Co-ordination and the Treasury as soon as possible, with a view to the necessary arrangements being made to finance the programme.

War Cabinet noted the Military Board's recommendation that the priority of issue of equipment, &c., should be :-

- (a) A.I.F. requirements;
- (b) Supply to United Kingdom and war theatres but not including the Dominions;
- (c) A.M.F. Limited Mobilisation;

and also noted the further views of the Board, that, on the question of priority generally, of supplies for abroad, whether of material or equipment, the views of the Defence Committee should be obtained before any decision is made by the War Cabinet. War Cabinet decided that the first essential consideration was to establish a satisfactory output for these needs, when their allocation could be determined in the light of the situation prevailing at the time.

4.

(364) SUPPLEMENT No. 1 TO AGENDUM No. 125/1940 - ISSUE OF BADGES TO PERSONS IN RESERVED OCCUPATIONS.

(Previous reference - War Cabinet Minute No. (313)).

War Cabinet approved of the recommendations of the Defence Committee that :-

- (a) The issue of the Exemption Badge should be limited to those in reserved occupations who volunteer unconditionally for service overseas;
- (b) An Exemption Card, indicative of the fact that the holder is employed in a reserved occupation should be issued to all persons (male and female) in reserved occupations, whether or not they volunteer for service overseas;
- (c) The issue of the Exemption Cards should be controlled by the Man Power Committee.

(365) AGENDUM No. 147/1940 AND SUPPLEMENT No. 1 - THE EFFECT OF THE POSSIBLE OCCUPATION OF THE NEW HEBRIDES AND NEW CALEDONIA BY JAPAN AND THE STRATEGICAL POLICY GENERALLY IN RELATION TO FRENCH COLONIES.

(Previous reference - War Cabinet Minute No. (345)).

In regard to the Commonwealth Government's cablegram No. 303 of 18th June to the United Kingdom Government relative to the New Hebrides and New Caledonia, the following replies of the United Kingdom Government in cablegram No. 187 of 21st June were noted :-

- (i) That a request had been made to U.S.A. for a declaration to the effect that it would not tolerate any alteration in the status quo in the Far Eastern Pacific. It was observed from a later cablegram (D.282 of 23rd June) that the United States Government could not at present go beyond the declaration made by the Secretary of State some time ago in connection with the Netherlands East Indies, but suggested that better results might be obtained from immediate United States diplomatic activity in Tokyo.
- (ii) That the United Kingdom Government was of the view that to forestall Japan by occupation of the islands with our forces would provide them with a dangerous pretext for similar action on their part against the Netherlands East Indies.

2. It was decided that representations should be made to the responsible French authorities in New Caledonia and the New Hebrides that the Commonwealth Government would be glad to enter into discussions with them on trade relations, and that the Commerce Department should arrange for a review of the position and the extension of an invitation, through the appropriate channels, for representatives to come to Australia. It is particularly to be ensured that due regard is paid to Japan's present trade relations with the New Hebrides and New Caledonia, to avoid any ground for complaint that the present volume and nature of her trade with these islands is being prejudiced. Advice of these proposed negotiations is to be forwarded to the United Kingdom and New Zealand Governments.

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3. Following a discussion generally regarding the strategic policy which should be adopted to encourage resistance in the French colonies, and the action taken by the Australian High Commissioner as outlined in cablegram No. 461 of 23rd June, agreement was expressed with the attitude of the United Kingdom Government, an outline of which is contained in the following summarised statement in cablegram Z.134 of 20th June from the Dominions Office to the United Kingdom High Commissioner in Australia :-

"In general we do not think that with our very limited resources we can attempt to occupy French oversea territories but in some cases our control of sea communications should enable us to deny the resources of these territories to the enemy. We hope it may be possible to stimulate continued resistance on the part of the French Colonial Empire forces."

(NOTE: The following relevant cables should be noted :-

- Z.127 of 19th June;
- Z.134 of 20th June;
- No. 194 of 24th June;
- Z.152 of 25th June.)

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Secretary.

PRIME MINISTER.

INVICTA BOND

MINUTES

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WAR CABINET MEETING.

MELBOURNE, 26th JUNE, 1940.

FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
 The Hon. J.V. Fairbairn, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

(366) DEPARTMENT OF INFORMATION.

(Previous reference - War Cabinet Minute No. (349)).

Sir Keith Murdoch was present to discuss the following matters raised by him :-

- (i) Broadcasting. He stated that the Postal Department was insisting on the control of all national talks, and, as it was desired to commence shortly with the regular evening session, he wished the position to be clarified. The Prime Minister stated that his impression of the Full Cabinet discussion following Minute No. (349), was that there should be a controlling Committee, comprising the Director-General of Information and representatives of the Australian Broadcasting Commission, the commercial stations and the Postmaster-General's Department. As the Minister for Commerce was under the impression that finality had not been reached, the matter was deferred for further consideration by Full Cabinet.
- (ii) Government Publicity Campaign. It was agreed that all publicity work associated with the national war effort should be concentrated under the general direction of the Department of Information, but this should not entail the elimination of existing machinery already organised by Departments, such as war loan committees.
- (iii) Sickness at Puckapunyal Camp. The Director-General of Information desired to bring to the notice of the Government the complaints regarding the extensive sickness prevailing at Puckapunyal Camp. Reports attributed this to lack of winter underclothing for the severe conditions experienced. 397(v)

The Minister for the Army stated that the Military Board had advised him that there was no lack of stocks, and he intended to inspect the camp on Thursday, 27th June, if possible. 397(v)

All to Sir. H.M.

Army.

2.

In this connection the Minister for the Navy mentioned the unsatisfactory type of hut which had been erected at Flinders Naval Depot. A reference was also made to the type of accommodation having been laid down by the Business Board.

(NOTE: It was ascertained from the Director of Works that the huts in some cases had been bought before the war and, except for certain adaptations, they were of a standard type produced by a Sydney firm. The same class of hut had also been used for the Air Force at Darwin and the Port War Signal Stations. The type had been adopted by the Boards concerned in conjunction with the Defence Works advisers. The Director of Works stated that further quantities of this type of hut had been ordered since the outbreak of war for reasons of urgency.

The lining of roofs was necessary to prevent condensation, but the Army did not seek the general lining of huts, except in the case of those for recreation and where climatic conditions are extreme. The Air Force wished huts lined generally. War Cabinet has approved of the recommendation of an Inter-Service Committee for the lining of huts where climatic conditions are extreme. (Minute (330)).

*Minister for Navy,
Army, Air,
Copies to Dept.*

(iv) Service Liaison Officer. At the request of the Director-General of Information it was agreed that the three Service Ministers should confer and nominate a suitable retired naval or military officer for attachment to the Department of Information to furnish the Department with the necessary background in regard to its publicity and propaganda work.

(v) Non-internment of Aliens. The Minister for Supply and the Attorney-General mentioned a report appearing in the Sydney Morning Herald of today's date, in which Colonel Bruxner, New South Wales Minister for Transport, had complained of the inactivity of the Commonwealth in not interning enemy aliens.

Army.

The Minister for the Army stated that all persons whose liberty would imperil the safety of the state had been interned.

³⁴⁹ It was decided that Sir Keith Murdoch should raise the question of publication of damaging statements with the conference which he is to hold next week with editors of newspapers. 400

(vi) Offers of Voluntary Service. The Director-General of Information emphasized the need for some organisation being provided along the lines suggested by him in Minute No. (349) for dealing with offers of voluntary service. The Prime Minister explained that a register of offers received in the Department of Co-ordination had been maintained since the outbreak of the war, and at regular intervals copies were furnished to the Service Departments for information and use should they be in a position to place any of the individuals. He pointed out that the essential consideration is to bring these applications to the notice of the Departments where the mass of the work is being performed, for it is here that the great need for

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staff exists. The Prime Minister intimated that a suitable person would be selected to superintend this work and be responsible for following up the possibilities of placing those offering their services. The machinery is to be strengthened where necessary.

347
The Prime Minister also explained that an Inter-departmental Staff Committee, constituted as under, had been set up to examine and report on the measures necessary for the satisfactory staffing of the Service Departments. He added that during the last war it had been necessary to pass a special Defence Civil Employment Act to embrace all employees in the Defence Department and a similar committee had been constituted on that occasion :-

Colonel T.J. Thomas, Chairman, representing the Department of Co-ordination;
Permanent Heads of the Departments of the Navy, the Army and Air;
Two representatives of the Commonwealth Public Service Board;
One representative of the Treasury.

379

(367) SUPPLEMENT No. 4 TO AGENDUM No. 33/1940 - HOSPITAL ACCOMMODATION.

(Previous reference - War Cabinet Minute No. (355)).

War Cabinet approved of the provision of additional hospital accommodation as under :-

- (a) Brisbane: A new hospital of 200 beds to be erected and planned for a probable extension to 800 beds.
- (b) Adelaide: A new hospital of 150 beds to be erected and planned for a probable extension to 700 beds.
- (c) That these hospitals be of the pavilion type, in timber construction, with annexes to wards and certain administrative buildings in brick.

War Cabinet noted that the approximate estimate of cost of construction of these hospitals was £163,000 for the 200-bed hospital in Brisbane and £141,000 for the 150-bed hospital in Adelaide, such being exclusive of the cost of acquisition of sites.

(368) AGENDUM No. 146/1940 - 3.7-INCH ANTI-AIRCRAFT EQUIPMENTS - SUPPLY TO UNITED KINGDOM.

With reference to the High Commissioner's cable No. 433 of 17th June, intimating that the United Kingdom Minister of Supply had asked that the Commonwealth Government should consider releasing some or all of the first deliveries of 3.7-inch anti-aircraft equipment from Australian production, it was noted that the Director-General of Munitions had furnished the following advice to the

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Defence Committee on the basis of the existing capacity :-

- (i) Four equipments were now ready for proof;
- (ii) Four would be ready in three weeks' time;
- (iii) Thereafter one equipment would be produced per week for 26 weeks, subsequently increasing, after a short hiatus, to two-three per week, with a possibility of further expansion later.

The Defence Committee advised that no predictors are at present available, and it will take at least six months from commencement of manufacture to produce them in Australia. It is expected that initial deliveries of predictors at present on order in the United Kingdom (56) will be made in six weeks' time, when an additional four anti-aircraft guns will be available. Delivery of predictors is promised at the rate of one set per month.

In view of the position outlined and the fact that, by the time the predictors arrive from the United Kingdom, four additional guns will be available for installation at Darwin, War Cabinet approved of the Defence Committee's recommendation that the first eight anti-aircraft equipments be forwarded to the United Kingdom, the United Kingdom Government being informed that neither predictors nor ammunition are available and that the equipments are for fixed and not mobile mountings. The vital importance to Australian local defence of the delivery of predictors on order from the United Kingdom is to be pointed out simultaneously to the United Kingdom Government, and a request made to expedite the earliest possible delivery.

*Army.
ask that
draft program
be submitted.*

(369) AGENDUM No. 148/1940 - INTERNAL CIVIL SECURITY.

(Previous reference - War Cabinet Minute No. (306)).

This Agendum was deferred for further consideration, and to enable Ministers to study the report of the Inter-departmental Committee on the organisation of national security intelligence.

No Action.

4/24

(370) DARWIN DOCK.

(Previous reference - War Cabinet Minute No. (295)(vi)).

The Minister for the Navy stated that £60,000 had been provided for a grid at Darwin, but owing to the rise and fall of the tide it was necessary to provide a dock for the maintenance of the boom defence vessels. The provision of the dock would entail a total expenditure of £87,500 and the provision of an additional amount of £27,500 was approved.

*Navy
Dy. 1/24*

(371) WOMEN'S NATIONAL SERVICE ORGANISATION.

The Prime Minister outlined the correspondence he had received from the Premier of New South Wales and the wife of the Governor, regarding the organisation of women's national service. He pointed out that the scheme divided itself into two categories:-

(i) Auxiliaries to the Services and the employment of women in munitions activities;

(ii) Civil work.

It was agreed that the province of the Commonwealth is limited to (i), and that any organisation in this direction cannot be controlled by the State authorities, whereas (ii) is entirely a matter for the States.

It was decided to set up a sub-committee of Service Ministers to report on the matter.

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*Wang -
Army -
Biro -
Copies to
Depts.
Chairman
Man Power Ctee.*

Secretary.

PRIME MINISTER.

IMMEDIATELY FORWARDED

MINUTES

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WAR CABINET MEETING.

MELBOURNE, 2nd JULY, 1940.

FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 (Not present for the earlier part of Minute No. (372)).
 Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
 The Hon. J.V. Fairbairn, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer (Not present for the earlier part of Minute No. (372)).
 Senator the Hon. H.S. Foll, Minister for the Interior.

(372) AGENDUM No. 152/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 24 - WEEK ENDED 29th JUNE, 1940).

(The three Chiefs of Staff were present for the discussion of this Agendum).

WEEKLY REPORT BY THE CHIEF OF THE NAVAL STAFF.

The Naval report was noted by War Cabinet, after the following subjects had been mentioned by the Chief of the Naval Staff :-

Refer to Navy's recommendations

(i) Retention of Skilled Employees at Cockatoo Island Dockyard. In regard to offers of higher wages by other employers in order to entice skilled workmen from Cockatoo Island dockyard, the Prime Minister stated that special regulations were to be promulgated under the National Security Act to control this matter. 396

295(vii) (ii) Capital Ship Dock. The Chief of the Naval Staff stated that the Chairman of the Sydney Water Board had called on him and explained a proposal under which the Board would undertake the reclamation work. Further consideration was deferred for the attendance of the Treasurer later in the day.

Navy will carry out of this

295(viii)

The Minister for the Interior stated subsequently that he had had a conversation with the Premier of New South Wales, who had suggested that the work be handed over to the State Government for execution by the Irrigation Commission and the Maritime Services Board, as the former had greater equipment resources than the Sydney Water Board. The Minister added that the Chairman of the Works Panel agreed with this view.

It was decided that, in the first instance, a cablegram be sent to the High Commissioner asking that a reply be expedited to the cablegram of 5th June requesting that the Admiralty and Alexander Gibb & Partners be consulted on the method of procedure of carrying out the work. It was also decided to seek the advice of Alexander Gibb & Partners as to whether reclamation could proceed, and if so whether there are any limitations or advice as to method they may wish to submit. A request is also to be made for the services of a suitable engineer for advice and supervision.

The Minister for the Navy raised the question of Ministerial responsibility for the supervision of the construction of the dock, and suggested that it was a matter for the Minister for the Interior. This was agreed with by War Cabinet, but it was directed that the closest liaison should be maintained with the Department of the Navy in regard to technical matters in which the Navy is interested.

415

- (iii) Disappearance of Norwegian Ship. The Chief of the Naval Staff mentioned that a Norwegian ship, carrying a certain quantity of military equipment, had disappeared. It was not yet clear whether it had gone to a port other than its contemplated destination or had been sunk.

no action

WEEKLY REPORT BY THE CHIEF OF THE GENERAL STAFF.

The Army report was noted by War Cabinet after the following subjects had been mentioned by the Chief of the General Staff or raised by War Cabinet :-

- (i) Enlistments in A.I.F. Reference was made to the high proportion of married men enlisting, and the wisdom of the age limit of 40. The Chief of the General Staff stated that it would be a pity to exclude the large number of suitable men up to age 40 because of the small number of those who might prove to be unsuitable. The age limit of 40 was fixed subject to the proviso that there should be a most rigid medical examination, and he would ensure that this was observed.

Army

397 (2)

- (ii) Division for Malaya. The Chief of the General Staff advised of the receipt of messages from the G.O.C., Malaya, which indicated that the G.O.C. was under the impression that the United Kingdom Government's request had been met. A reply had been sent that the matter has still to be considered in principle by the Australian authorities.

no action

394

- (iii) Location of A.I.F. Units on North Queensland Coast. The Minister for the Interior raised the question of the transfer of A.I.F. units to localities on the North Queensland coast, for reasons of recuperation after the southern winter, the defence advantages to the North, and the advantageous effect it would have on public morale, particularly in view of the large number of aliens in this part of Queensland.

no action

The Chief of the General Staff queried the wisdom of such a distribution of forces strategically and the difficulties that would be encountered in training and

3.

administration. The Ministers for the Navy and External Affairs were of the view that the necessity for any re-disposition of Forces from the aspect of Local Defence should be examined.

- (iv) Higher Command in Australia. The Minister for External Affairs enquired as to the plans which existed for the creation of a Higher Command for the conduct of operations in Australia.

Army

The Minister for the Army pointed out that the General Staff was responsible for planning, the Military Board for general administration, and the Chief of the General Staff for the control of operations. The plans provided for the appointment of a Commander or Commanders of the Field Forces in war, but insofar as the appointment of a G.O.C. in peace is concerned, he would have to consider the matter, as the Military Board and its functions were involved in such a proposal.

- (v) Guards at Annexes. This matter was raised by the Attorney-General, who outlined measures taken by him to provide additional peace officers in Sydney for the protection of annexes.

Army

The Minister for the Army stated that a conference on the subject had been held on the previous day between representatives of the Army, the Department of Munitions and the Investigation Branch.

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- (vi) Officers of the A.I.F. Reference was made to the fact that the quota of officers for the 7th and 8th Divisions and Corps Troops and first reinforcements is 2,429, and that 1,124 officers have so far been appointed. It was explained by the Chief of the General Staff that a certain number only were drawn from the Militia to allow for promotions from the ranks through the officers' training schools.

WEEKLY REPORT BY THE CHIEF OF THE AIR STAFF.

The Air report was noted by War Cabinet, after the following subjects had been mentioned by the Chief of the Air Staff or raised by War Cabinet :-

- (i) Delay in Calling Up Recruits. The Minister for Air stated that consideration was being given to the practicality of calling up and organising recruits in some form of training unit, pending their ultimate allotment as members of aircrews. However, there are difficulties in devising a syllabus and providing the necessary instructors and equipment.
- (ii) Air Force Bombs. The Attorney-General referred to the stocks of Air Force bombs, which is dealt with at length in Minute No. (376) on Agendum No. 149/1940.

no act

no act

(373) PROPOSALS FOR WAR EXPENDITURE.

The Treasurer raised without Agendum the need for the submission of a comprehensive statement of requirements for defence expenditure, instead of the piecemeal submissions that are now occurring. He was of the view, however, that there should be a firm basis to which proposals should be related, but which should be sufficiently elastic to permit of expansion. The necessity for submission of proposals along the lines recommended by him was emphasized to be necessary for the sound raising of money and the minimum economic disturbance.

*Army
Army
air
naval*

*5 TD
Munich?*

From the Treasurer's point of view there were two aspects. On the one hand the limit of the proposals had to be indicated, and on the other there should be a reliable estimate of the manner in which authorisations and expenditure would be incurred. He appealed to the Chiefs of Staff for the presentation of proposals along the lines desired by him and for ensuring that the estimates for authorisations and expenditure are as accurate as it is possible to achieve.

(374) EVACUEES FROM HONG KONG.

The Minister for the Interior raised without Agendum the subject of evacuation of women and children from Hong Kong to Australia. He stated that it had been necessary to provide for their accommodation through the States, and asked for authority to deal with the States in the matter through the usual channel. This was agreed to.

*no
action*

(375) AGENDUM No. 150/1940 - PRODUCTION ORDERS FOR ARMOURED FIGHTING VEHICLES.

(Previous reference - War Cabinet Minute No. (363)).

War Cabinet considered the opinion of the Military Board that the early supply of armoured fighting vehicles in quantity is essential and its recommendations that :-

- (a) Approval be given to place orders at once for the full requirements of 859 cruiser tanks and 2,012 universal carriers; and
- (b) The additional amount of £14,270,000 be made available.

(NOTE: The full amount is £16,909,000, of which £6,529,000 was approved on Agendum No. 141/1940 (Minute No. (363)), leaving £10,380,000 now to be provided).

It was decided that :-

- (i) A cablegram be sent to the United Kingdom Government :-
 - (a) Furnishing advice of the type of tank that the Commonwealth intends to produce, enquiring the type or types of tanks on which they are concentrating, in view of the recent statement by their

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Minister for Supply on this subject, and asking for observations on our proposal.

- (b) Requesting the loan or exchange of a few officers, say up to the number of four, who have had recent experience of warfare with armoured divisions.
- (ii) The Director-General of Munitions be asked to advise on how the proposal of the Military Board fits in with the munitions programme for the Army already approved on Agendum No. 141/1940 (see Minute No. (363)), insofar as the various considerations of allocation of productive resources, supplies of material and the time factor are concerned.

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(376) AGENDUM No. 149/1940 - SUPPLY OF AIRCRAFT BOMBS AND COMPONENTS.

The following recommendations were approved and it was noted that requirements in respect of machine gun links, small arms ammunition, pyrotechnics, practice bombs and fillings, will be the subject of a separate recommendation :-

- air*
Munitions
Measuring
- (a) That the bombs listed in columns 2 and 3 of the Agendum, representing requirements for war reserves and training expenditure to June, 1941, be procured without delay, at an estimated cost of £900,000.
- (b) That the munitions factories be requested to proceed with the production of the bombs set out in column 4 of the Agendum, representing training requirements for 1942/43, the estimated cost being £300,000.
- (c) That a further productive capacity be set up, maintained and materials held for manufacture in Australia of the bombs referred to in paragraph 6 of the Agendum for the total reserve requirements of a nineteen-Squadron organisation. The early placing of orders for materials for these purposes, at an estimated cost of £200,000, was approved, the total estimated cost of the bombs being £1,200,000.

(NOTE: The total cost of the complete plan as proposed involves approximately £2,400,000 :-

War Reserves	£2,000,000
Defence Programme (training) ..	57,000
Empire Air Training Scheme ..	<u>343,000</u>
	<u>£2,400,000</u>

The proposals approved to be proceeded with immediately are estimated to cost £1,400,000 :-

(i) War Reserves	£1,000,000
(ii) Home Training and Empire Scheme	<u>400,000</u>
	<u>£1,400,000</u>

£100,000 has been provided in current Loan Appropriations towards the cost of (i), a further allotment of £900,000 being required. Provision exists for (ii).

6.

Estimates of the annual authorisations and expenditure involved are to be prepared for submission to the Department of Co-ordination and the Treasury as soon as possible, with a view to the necessary arrangements being made to finance the programme.

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(377) AGENDUM No. 151/1940 - EXPANSION OF HOME DEFENCE AIR FORCE.

War Cabinet considered the recommendation of the Minister for Air for the expansion of the Home Defence Air Force by the addition of thirteen squadrons with necessary ancillary units, at a cost of £22,075,000. The proposal is to be considered by the Prime Minister and the Service Ministers, the Treasurer being co-opted on the financial aspect of the proposal.

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(378) AGENDUM No. 153/1940 - PROCEEDINGS BEFORE COMMONWEALTH OR STATE ARBITRATION COURT - TAKING AND RECEIVING EVIDENCE IN CAMERA.

(Previous reference - War Cabinet Minute No. (305)).

War Cabinet approved of a new National Security regulation being promulgated as follows as an emergency measure :-

Atty Esen

"In any proceedings in the Commonwealth Court of Conciliation and Arbitration or in any State Tribunal exercising similar jurisdiction or before any judge or officer thereof, if it appears to such court, tribunal, judge or officer that the public safety or the defence of the Commonwealth renders it desirable so to do, such court, tribunal, judge or officer shall -

- (a) take and receive evidence in camera, and in the absence of the parties or their representatives; and
- (b) make an order that under no circumstances shall such evidence or the nature thereof be disclosed.

"Nothing shall prevent the court from considering and acting on such evidence."

(379) AGENDUM No. 154/1940 - VOLUNTARY SERVICE OFFERS.

(Previous reference - War Cabinet Minute No. (366)(vi)).

War Cabinet approved that an organisation as under be set up :-

- (i) A person of outstanding ability, preferably with a knowledge of Government Departments, to be selected as the Director of Voluntary Service. The two clerks at present engaged on the maintenance of the register to be transferred to the Director as the nucleus of his staff.

(ii) The Director to survey the present register of applications and any other offers of service of which he may be aware, with a view to selecting :-

(a) Such additional staff as he may require for his central bureau;

(b) A suitable person who will represent him in each of the Navy, Army, Air, Munitions and such other Departments as he considers necessary, these persons being responsible for following up the possibility of placing persons in their respective Departments and being responsible to the Director.

No action until Director's approval.

(iii) In view of the number of offers received in the various States, the Director will select representatives there to act on similar lines to those to be followed in Melbourne.

(iv) The Central Bureau is to be linked to the Inter-departmental Staff Committee which has been appointed to deal with all matters of principle and methods of meeting staff needs of Departments. This will be secured by contact between the Director and the Committee.

It is to be ensured that the status of all persons engaged in a voluntary capacity is such that they are subject to the provisions of the Official Secrets Act.

(380) MORATORIUM PROVISIONS.

All munitions recommendations

The Prime Minister asked that Ministers for the Service and other Departments who have recommendations to submit relating to moratorium provisions should have their proposals ready for consideration by Full Cabinet next week.

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(381) EFFECT OF MID-WEEK SPORT ON WAR PRODUCTION.

Munitions

The Prime Minister recalled that provision existed in the last war for the regulation of mid-week sporting activities, in view of their effect on the output of munitions. After the position has been closely examined, a report is to be submitted by the Department of Munitions, together with any recommendations considered necessary.

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(382) ANGLO-JAPANESE RELATIONS.

The Prime Minister submitted to War Cabinet cablegram No. 234 from the Dominions Office on the Japanese demands relating to :-

EA

- (i) Withdrawal of the Shanghai Garrison;
- (ii) Closing of the Hong Kong frontier;
- (iii) Closing of the Burmese frontier.

The proposed reply by the United Kingdom Government to the Japanese Government was concurred in.

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(383) BRITISH CHILDREN FROM OVERSEAS.

(Previous reference - War Cabinet Minute No. (357)).

*In line
recovery*

The Minister for the Interior raised the above subject without Agendum, and, in reply to enquiries as to the organisation that is being set up to deal with the placing and supervision of children in Australian homes, stated that committees had been appointed by the various State Governments to arrange for the placing of children and inspections relating to their welfare, the Child Welfare Departments assisting in this matter. War Cabinet emphasized the necessity for adequate supervision and the importance of ensuring that inspection was not left entirely to Child Welfare Departments.

It was decided that there should be no increase in the number of children beyond the 5,000 at present approved, in view of the Commonwealth's contingent liability for their maintenance. It was also directed that the scheme should be limited to British children.

Secretary.

PRIME MINISTER.

FRANCIS BOND

MINUTES

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WAR CABINET MEETING.

MELBOURNE, 3rd JULY, 1940.

SPECIAL COMMITTEE OF WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
 The Hon. J.V. Fairbairn, M.P., Minister for Air.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.

(384) AGENDUM No. 155/1940 - TEMPORARY PROMOTIONS IN THE PERMANENT MILITARY FORCES IN TIME OF WAR.

War Cabinet approved that, during the period of the war :-

Army Treasury

- (a) Officers of the Quartermaster's Branch of the Permanent Military Forces serving on 5th October, 1939, selected to fill appointments in War Establishments that carry higher rank than that of Captain, may be promoted to temporary rank appropriate to such appointment; provided that, in each case, a vacancy for the temporary rank exists in the approved Establishments and that those enlisted after 5th October and already in receipt of A.I.F. rates of pay and allowances continue to receive such rates.
- (b) Quartermasters serving on 5th October, 1939, granted such temporary promotion receive the appropriate rate of pay prescribed for officers of the Staff Corps, i.e., Permanent Force rates.
- (c) Members of the Permanent Military Forces granted temporary higher rank receive the pay and allowances of that rank from the date of promotion thereto and increments as though permanently promoted to such rank.

(385) SUPPLEMENT No. 3 to AGENDUM No. 116/1940 - ALLOWANCE IN LIEU OF QUARTERS AND RATIONS - ROYAL AUSTRALIAN AIR FORCE.

(Previous reference - War Cabinet Minute No. (348)).

Air Treasury

War Cabinet considered the report of the Treasury Finance Committee and approved of the recommendation contained in paragraph 8(c) thereof, which reads :-

"The Committee suggests that all possible steps should be taken to limit the number of people now drawing subsistence allowance by extending Departmental rationing and quartering

where possible and in other cases by developing the use of suitable hostels or making other billeting arrangements as is commonly done in England. In this event the Department would pay the actual cost to the supplier and the unsatisfactory feature of paying cash allowances to large numbers of men would be avoided."

(386) AGENDUM No. 132/1940 - MANUFACTURE OF FLASHLESS PROPELLANTS IN AUSTRALIA.

*Munitions
Treasury*

(The Minister for Supply and Development was present for the discussion of this Agendum).

It was decided to refer this question to the Director-General of Munitions for report by the Director of Explosives, with particular reference to the effect that the proposal for the manufacture of flashless propellants would have on local capacity to complete the present Munitions Programme.

(387) SUPPLEMENT No. 1 to AGENDUM No. 103/1940 - PAYMENT OF DEPENDANTS' ALLOWANCES TO WIVES, CHILDREN AND OTHER DEPENDANTS OF MEMBERS OF THE MILITARY FORCES.

(Previous reference - War Cabinet Minute No. (280)).

War Cabinet approved of the conditions of payment of separation allowance being amended to provide :-

*Army
Air
Treasury*

- (a) For the provision of dependants' allowance at the rate of 3/- per day for the first dependant and 1/- per day for each additional dependant, in lieu of the previous provision for separation allowance of 3/- per day for a wife or first adult dependant and 1/- per day for each child under 16 years of age and other dependants;
- (b) For a departure from the standard allotment of 3/- per day in the case of a soldier, or 5/- per day in the case of an officer and the acceptance in respect of children of an allotment at the rate of not less than 1/- per day in the case of a soldier, or 1/8d per day in the case of an officer, which will permit of payment of dependants' allowance at a rate not exceeding the amount so allotted, in the case of a soldier, or three-fifths of the amount so allotted in the case of an officer.

(388) TRANSFER OF GERMAN AND ITALIAN INTERNEES TO AUSTRALIA.

*No
action*

With reference to the Commonwealth's agreement to accept German and Italian internees from Great Britain and the Straits Settlements, the Minister for the Army stated that cablegrams were being sent to the United Kingdom Government intimating acceptance of 6,000 persons, and asking for numbers of internees under their classifications. A cablegram was also being sent to the Straits Settlements asking for details of the classification of the 297 internees to be transferred from there.

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(389) SUPPLEMENT No. 4 to AGENDUM No. 2/1940 - PROVISION OF MECHANICAL TRANSPORT VEHICLES FOR THE A.I.F.

(Previous reference - War Cabinet Minute No. (293)).

(The Minister for Supply and Development was present for the discussion of this Agendum).

War Cabinet approved of an increase in the local provision from 5,420 vehicles for the 7th Division and Corps Troops to 6,516 vehicles as recommended in the Agendum, and noted that these numbers made provision for an initial reserve of 15% for war wastage.

*Army
Reviewing*

It was also noted that the total requirements for the 7th Division and Corps Troops is 8,828 vehicles, composed of 6,516 now authorised to be obtained from Australian sources, and 2,312 (including 2,125 motor cycles) to be obtained from the United Kingdom. The total cost of these vehicles is £3,289,000, for which provision has been made in the War Programme.

(390) AGENDUM No. 127/1940 - DELAYS IN DELIVERIES OF AMMUNITION.

(Previous reference - War Cabinet Minute No. (174)(iv)).

(The Minister for Supply and Development was present for the discussion of this Agendum).

*Mr. S.
See War.
(2-10) F.G.S.*

The information contained in these schedules was noted by War Cabinet, which decided that no further action need be taken in view of the changes in organisation for the production of munitions.

(391) AGENDUM No. 151/1940 - EXPANSION OF HOME DEFENCE AIR FORCE.

(Previous reference - War Cabinet Minute No. (377)).

The suggestion of the Minister for Air on the desirability of holding a further conference in Canada to review the effect of recent events on the Empire Air Scheme and to consider the changes, if any, that might be necessary, was approved.

*See War
letter to
Mr. S.
personally
(2-10) F.G.S.*

It was also decided that information should be forwarded to the Australian Minister in Washington of the difficulties that have arisen in regard to aircraft, owing to the suspension by the United Kingdom Government of the despatch of Anson and Battle aircraft for the Empire Air Scheme. A request is to be made to the Australian Minister to ascertain the prospects of supply of aircraft of the types required for the expansion of the R.A.A.F. by the formation of thirteen additional squadrons, if such should be decided upon. It is to be made clear that it is not intended that the request should interfere with the supply of Britain's requirements during the next few months.

426 (C) (v)

(392) EXTENSION OF APPOINTMENT OF CHIEF OF THE AIR STAFF.

On the recommendation of the Minister for Air it was decided to extend the appointment of Air Chief Marshal Sir Charles Burnett for another year.

(393) GIFTS OF AIRCRAFT.

The Minister for Air stated that as an incentive to public subscriptions for aircraft for the Air Force, he proposed to fix target amounts for the various types of machines, so that contributors would be aware of the range of objectives, from the smallest to the largest machines, at which they could aim.

(394) AGENDUM No. 156/1940 - EMPLOYMENT OF AUSTRALIAN LAND AND AIR FORCES IN MALAYA.

War Cabinet considered the report of the Chiefs of Staff on Dominions Office cablegram No. 228 of 28th June, in which a request was made for the urgent movement of one division and two squadrons of aircraft to Malaya. It was decided that a cablegram should be sent to the United Kingdom Government :-

- (i) Pointing out that two further squadrons are being despatched to Singapore, as advised earlier in cablegram No. 322;
- (ii) Stating that the Government is unable, on the information before it, to agree to the despatch of a division as desired, and adding that the force could not be provided with equipment other than small arms without gravely impairing home defence and the training of the A.I.F.
- (iii) Drawing attention to the related urgent need for completing the equipment of the 6th Division and deciding its theatre of employment;
- (iv) Advising that a final conclusion is affected by the appreciation which is being awaited and which the High Commissioner states is about to be cabled.

(395) CO-ORDINATOR-GENERAL OF WORKS AND PROCEDURE IN CONNECTION WITH DEFENCE WORKS.

The Treasurer raised without Agendum the question of the procedure to be followed by the Co-ordinator-General of Works in obtaining information regarding defence works for consideration by the Loan Council. The Commonwealth Treasury conception of the Co-ordinator-General's functions was stated as follows :-

- (1) To make a survey of the State works programmes in course of execution and the extent of the unemployment problem as it exists at present in each State;

See me
Letter to the
Ministry

Air
Meeting

372(11)

Copy to
Army
Army
Air
in
Cablegram

398

Deas.
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Army
Air
Supply

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- (ii) To examine the effect that the defence works and war programme will have on the unemployment position;
- (iii) To ascertain the extent to which defence works, in order of priority, should be undertaken to alleviate the unemployment position.

The Secretary, Department of Co-ordination, pointed out that it had come to his notice that the Co-ordinator-General had submitted his requests for information direct to the Chiefs of Staff, and had requested the Director of Works of the Department of Co-ordination to co-ordinate the supply of the information required. As the lists of works were related to :-

- (i) The basis of Defence Policy;
- (ii) The priority of other demands for defence preparedness;
- (iii) The financial and economic aspects of other defence expenditure and the amount of the latter in relation to the Commonwealth's financial capacity;

it was important, for satisfactory and expeditious action, that the usual channel of procedure through the Department of Co-ordination should be observed, as the responsibilities of the Director of Works covered only the technical aspect of the execution of works programmes, whereas the Policy and Finance Sections and their machinery were at present being excluded by the course followed.

War Cabinet agreed that, in order to cover all the considerations involved, it was essential that major questions, such as submission of schedules of works, priorities and their relation to the basis of Policy, should be dealt with through the Department of Co-ordination.

(396) REGULATIONS RELATING TO CONDITIONS OF EMPLOYMENT IN SHIPYARDS.

(Previous reference - War Cabinet Minute No. (372)(1)).

Navy
Atty Gen

The Minister for the Navy outlined draft regulations relating to conditions of employment in shipyards engaged in naval construction, which he had received from the Managing Director of Cockatoo Island dockyard, and it was decided that the proposals should in the first instance be submitted to the Attorney-General's Department for consideration.

Secretary.

PRIME MINISTER.

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MINUTES

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WAR CABINET MEETING

MELBOURNE, 9th JULY, 1940.

FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General (who was not present for Agendum No. 158/1940).
Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
The Hon. J.V. Fairbairn, M.P., Minister for Air.
The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
The Hon. J. McEwen, M.P., Minister for External Affairs.
The Hon. P.C. Spender, K.C., M.P., Treasurer (who was not present for Agendum No. 158/1940).
Senator the Hon. H.S. Foll, Minister for the Interior (who was not present for Agendum No. 158/1940).

(397) AGENDUM No. 158/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 25 - WEEK ENDED 6th JULY, 1940).

(The three Chiefs of Staff were present for the discussion of this Agendum).

WEEKLY REPORT BY THE CHIEF OF THE NAVAL STAFF.

The Naval report was noted by War Cabinet, after the following subject had been mentioned by the Chief of the Naval Staff :-

French Navy. The French Navy had been given orders to attack British ships.

WEEKLY REPORT BY THE CHIEF OF THE GENERAL STAFF.

The Army report was noted by War Cabinet after the following subjects had been mentioned by the Chief of the General Staff or raised by War Cabinet :-

366(11) (i) Health of Troops. The Minister for Supply raised the question of the circulation of exaggerated reports. The Minister for the Army stated that there had been only two deaths among 100,000 troops, and ailments such as colds were no more prevalent than among the civil population.

372(1) (ii) Recruiting. Enquiry was made as to whether the latest figures indicated a trend towards lower ages. It was stated that the Director-General of Recruiting was concentrating on achieving this, but no positive information as to results was available.

- (iii) Shipment of Troops. The Chief of the General Staff stated that no more troops, other than limited reinforcements, were being despatched abroad until a decision was given on general policy.
- (iv) Woollen Underclothing. The Ministers for Supply and the Army stated that the woollen underclothing position was now satisfactory.

WEEKLY REPORT BY THE CHIEF OF THE AIR STAFF.

The Air report was noted by War Cabinet, after the following subjects had been mentioned by the Chief of the Air Staff or raised by War Cabinet :-

- (i) Bellman Hangars. The Minister for Supply stated that Mr. Storey, of the Aircraft Production Commission, had looked into this matter and the position was now satisfactory.
- (ii) Recruiting. The Prime Minister raised the question of the high percentage of rejections for Victoria, vide the following figures :-

<u>State</u>	<u>Number Interviewed</u>	<u>Number Selected</u>	<u>Percentage Successful</u>
<u>Aggregate position as at 29th June, 1940:</u>			
Queensland ..	2,143	1,065	49
New South Wales ..	2,765	1,576	57
Victoria ..	2,940	1,061	36
South Australia ..	1,546	870	56
Western Australia ..	1,810	722	40
Tasmania ..	466	169	36
	<u>11,670</u>	<u>5,463</u>	<u>48</u>
<u>Statistics for two weeks ended 29th June, 1940:</u>			
Queensland ..	248	106	43
New South Wales ..	327	276	84
Victoria ..	366	153	42
South Australia ..	309	197	64
Western Australia ..	155	104	67
Tasmania ..	81	43	53
	<u>1,486</u>	<u>879</u>	<u>59</u>

The Minister for Air stated that the main factor affecting the entry of recruits was the high educational standard insisted upon in view of the requirements of the Air Force, and this was considered to be fully warranted by the very satisfactory results achieved by the R.A.F., an opinion with which the Chief of the Air Staff agreed.

- (iii) Aircraft from the United Kingdom. The Minister for Air stated that advice had been received from the Air Liaison Officer, London, that restrictions on the shipment of Battle and Anson aircraft previously imposed had now been removed.

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(398) SUPPLEMENT No. 1 to AGENDUM No. 156/1940 - EMPLOYMENT OF AUSTRALIAN LAND AND AIR FORCES IN MALAYA OR INDIA.

(Previous reference - War Cabinet Minute No. (394)).

(The three Chiefs of Staff were present for the discussion of this Agendum).

War Cabinet gave further consideration to the request of the United Kingdom Government in Dominions Office cablegram No. 228 of 28th June, for the urgent movement of one division and two squadrons of aircraft to Malaya. It had before it the appreciation of the United Kingdom Chiefs of Staff on the military position in the Near East, as contained in Dominions Office cablegram Z.168 of 3rd July, and the observations of the Australian Chiefs of Staff thereon of 8th July, together with their recommendation that the best contribution that the Commonwealth could make at the present time would be to despatch one brigade group at a time from Australia to India to relieve troops there for use elsewhere.

Following a discussion, including references to cablegram No. 228 of 17th May to the United Kingdom Government and the Dominions Office reply, No. 155 of the same date, relative to the proposal at that time to divert the third convoy to India, the Prime Minister read a cablegram from the High Commissioner (not circulated) in which the latter stated that a further appreciation by the United Kingdom Chiefs of Staff, covering the Far Eastern position, would shortly be transmitted.

It was decided to defer a decision on Supplement No. 1 to Agendum No. 156/1940 until receipt of the latter appreciation.

(399) ANGLO-JAPANESE RELATIONS.

(Previous reference - War Cabinet Minute No. (382)).

There was a discussion on the latest position in regard to the Japanese demands relating to :-

- (i) Withdrawal of the Shanghai garrison;
- (ii) Closing of the Hong Kong frontier;
- (iii) Closing of the Burmese frontier;

The United Kingdom Government's Policy on this matter was also reviewed. The Minister for External Affairs read to War Cabinet a memorandum, which is reproduced as Agendum No. 162/1940. The Prime Minister outlined a cablegram forwarded by him to the High Commissioner on 8th July (not circulated) on the aspects of the United Kingdom Government's Policy on which it was desired that urgent representations be made to the United Kingdom Government. The terms of the Prime Minister's cablegram met with general endorsement.

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MINUTES

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WAR CABINET MEETING.

MELBOURNE, 10th JULY, 1940.

FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
 The Hon. J.V. Fairbairn, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

(400) SPREADING OF DANGEROUS RUMOURS.

366(v)

The Treasurer mentioned the report of a statement made at the recent Australian Labour Party Conference in Melbourne that he was in the pay of the Japanese, and the Prime Minister referred to enquiries that had come to his notice as to whether there was any truth in the report that his children had been sent to the U.S.A. It was generally agreed that these statements were circulated with the object of creating a lack of confidence in the public mind in regard to persons in positions of leadership at the present time, and that, where possible, action should be taken to trace these rumours to their source and deal with the individuals concerned.

no action

423

(401) IMPERIAL CONFERENCE ON WAR POLICY.

Arising from the discussions referred to in Minutes Nos. (398) and (399), relative to a strategical appreciation on Empire War Policy and Anglo-Japanese relations, the Prime Minister stated that he was of the opinion that it was desirable for him to have an early conference with the Prime Minister of the United Kingdom and representatives of the other Dominions, particularly New Zealand. This suggestion met with general approval, except that the Attorney-General doubted the wisdom of the Prime Minister being absent at the present time for a lengthy period.

no action

(402) AGENDUM No. 160/1940 - REQUIREMENTS OF PYROTECHNICS, SMALL ARMS AMMUNITION, MACHINE GUN LINKS, PRACTICE BOMBS AND CHLORIDE FILLINGS.

(Previous reference - War Cabinet Minute No. (376)).

War Cabinet considered the R.A.A.F. requirements of pyrotechnics, small arms ammunition, machine gun links, practice bombs complete, and stannic chloride and titanium tetrachloride, which

Army Treasury

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had been calculated on the following basis :-

- (a) War reserves on a basis of six months' operational requirements for Home Defence Force of nineteen squadrons; and
- (b) Training requirements for the Empire Air Training Scheme and Home Defence units up to June, 1943.

Approval was given to proceed with orders to the following extent recommended :-

(i) Empire Air Training Scheme - Training consumption requirements to June, 1943	..	£2,020,000
(ii) Defence Programme - Home Defence training requirements to June, 1943	..	200,000
(iii) War Reserves - Estimated cost of providing for replenishment of certain requirements on a six months' expenditure basis	..	130,000
		£2,350,000

It was stated that the following additional provision over and above that already approved is necessary to cover the foregoing orders :-

(i) Empire Air Training Scheme	..	£790,000
(ii) Defence Programme	..	-
(iii) War Reserves	..	130,000

The above requirements were submitted on a nineteen-squadron basis, and a review is now being made of the requirements for the additional thirteen squadrons to be established, if this expansion is approved.

(403) BASIS OF DEFENCE POLICY.

(Previous reference - War Cabinet Minute No. (345)).

Reference was made to the scales of attack and defence referred to in reviews by the Chiefs of Staff as a basis of Policy, and which, in the last review of 27th May, were classified as minor, medium and maximum.

The Prime Minister recalled that in Minute No. (345) he had pointed out that the basis of the Government's defence measures in peace had been the continual development of an effective policy, the first objective of which had been laid down by the Government's advisers as the completion of the defence against the minor scale of attack. The Programme had been continually expanded since the outbreak of war. The present position in regard to the Services was that the Navy had in commission all the ships that we could obtain or build. The strength of the Army for local defence was being increased to 250,000 men. The Air programme was

*No action
till P.M.
agrees*

3.

based on the early completion of the Salmond Scheme, plus our contribution to the Empire Air Scheme, any further expansion being dependent on the supply of aircraft regarding which enquiries are being made. On the supply of munitions, the Director-General had been informed that the sky is the limit and time is the essence of the contract. He had a mandate for the production of the greatest possible quantity in the shortest possible time.

War Cabinet decided that the defence preparations of the Government are not to be limited by formula but are to be governed by the most practicable form of defence in each arm of the Services that can be provided from the nature and extent of the resources available.

It is the responsibility of the Defence Committee to ensure co-ordination and to lay down priorities, in order that due balance exists between the measures taken by the Services and by the Munitions Department to fulfil their material needs.

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(404) AGENDUM No. 161/1940 - WIRELESS OPERATORS (AIR GUNNERS) AND AIR GUNNERS UNDER THE EMPIRE AIR TRAINING SCHEME - RANKS.

War Cabinet approved of the following variations in the rank of trainees under the Empire Air Training Scheme :-

*air
training
FO.*

- (a) Wireless Operators (Air Gunners) and Air Gunners be promoted to the rank of Sergeant on completion of their training;
- (b) During the training period, the rank of Wireless Operator (Air Gunner) and Air Gunner be that of Leading Aircraftman instead of A.C.II.

It was noted that some doubt existed as to the actual group in which Wireless Operators (Air Gunners) and Air Gunners should be placed, and it was agreed that whatever grouping was finally decided on by the Air Ministry and the Canadian Government should also be adopted by the Commonwealth.

(405) AGENDUM No. 159/1940 - PAYMENT OF SEPARATION ALLOWANCE TO WIVES AND CHILDREN OF MEMBERS IN RECEIPT OF WAR DISABILITY PENSIONS.

*Army
Army
Civil
training
Robert
FO.*

War Cabinet approved of the payment of separation allowance in full for the wives and families of former members of the 1st A.I.F. who are in receipt of war pensions and are now serving with the Forces.

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(406) SUPPLEMENT No. 5 to AGENDUM No. 33/1940 - HOSPITAL ACCOMMODATION.

(Previous references - War Cabinet Minutes Nos. (344) and (354)).

War Cabinet approved of additional hospital accommodation of the pavilion type, constructed in wood with brick ends, as under :-

- (a) The increase of the temporary hospital accommodation at Yaralla, Sydney, from 240 beds to 1,200 beds, at an estimated cost of £210,000.
- (b) The increase of the temporary hospital accommodation at Heidelberg, Melbourne, from 240 beds to 1,000 beds, at an estimated cost of £180,000.
- (c) The provision of temporary hospital accommodation at Perth of 100 beds, at a cost of £50,000.
- (d) The provision of medical and other equipment for the above, at a cost of £75,000.

(407) SUPPLEMENT No. 1 to AGENDUM No. 150/1940 - PROVISION OF ARMAMENT (OTHER THAN ARMoured FIGHTING VEHICLES) FOR AN ARMoured DIVISION.

(Previous reference - War Cabinet Minute No. (375)).

War Cabinet approved of the orders being placed with the Department of Munitions for the armament for an Armoured Division included in Appendix I to the Agendum, at an estimated cost of £1,510,000, and directed that the provision of these requirements is to be related to and linked with the supply of armoured fighting vehicles approved in Minute No. (375).

(408) SUPPLEMENT No. 1 to AGENDUM No. 149/1940 - SUPPLY OF AIRCRAFT BOMBS AND COMPONENTS.

(Previous reference - War Cabinet Minute No. (376)).

*Air (2)
Munitions*

The statement showing the stock of bombs held at present by the Royal Australian Air Force was noted by War Cabinet.

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(409) CAPTAIN P.G. TAYLOR, E.G.M. - PROPOSAL FOR PACIFIC AIR SURVEY AND AIR ROUTE.

(Previous references - War Cabinet Minutes Nos. (221) and (247)).

*Air
Munitions
E.G.*

With reference to the proposal of Captain P.G. Taylor, E.G.M., for a Pacific air route survey along the course previously outlined by him, the Minister for Air stated that, in view of the approval to purchase the P.B.Y. Flying Boats, the following

or 194

proposals had been put forward by Captain Taylor :-

- (i) The delivery of one of the flying boats to Captain Taylor in America for a survey flight of the route proposed by him.
- (ii) The employment of Captain Taylor as an instructor to the pilots for the boats.
- (iii) The purchase of three additional boats for a Reconnaissance Flight, to operate under the command of Captain Taylor.

War Cabinet approved of the Minister for Air investigating the first two proposals. The Department of External Affairs is to ascertain whether the U.S.A. Government has any objections to the delivery of a flying boat to Captain Taylor in America.

(410) PRODUCTION OF MUNITIONS - GOVERNMENT FINANCIAL ASSISTANCE TO COMPANIES.

*Munition
Treasury*

The Prime Minister outlined a memorandum he had received from the Director-General of Munitions regarding the principles to be followed in connection with capital assistance by the Government to private companies undertaking the manufacture of munitions. The Director-General favoured a scheme of participation by the Government on a shareholding basis with the companies in proportion to the amount of capital subscribed by each party. On the conclusion of the war the companies would be liquidated by the realisation of their total assets, and not by the Government's share alone, as was done by the United Kingdom Government in the last war.

After discussion it was decided that the Prime Minister should consult with the Director-General of Munitions, with a view to the submission of a detailed plan by the Director of Finance of the Munitions Department.

(411) CLAIMS BY CONTRACTORS ON DEFENCE WORK AT DARWIN FOR ADDITIONAL PAYMENT FOR WAGES DUE TO VARIATION IN RATES DURING THE CONTRACT.

*Darwin
Treasury
P.O.*

The Minister for the Interior referred to the cessation of work on Defence contracts which took place in Darwin on 6th May, 1939, owing to a dispute in regard to rates of payment of wages, and to the interim award, dated 21st June, increasing the wage to £5.10.0 per week, plus the margins and conditions prescribed under the Port Augusta Industrial Agreement. He asked whether approval should be given for reimbursement to the contractors of £9,529;8;6, being the amount involved from 19th June to the completion of contracts in payment by them of the increase in the wage rate over and above the rate prevailing at the time their tenders were accepted.

In view of the special circumstances under which the interim award was made and the promise given that "the Government would give every consideration towards a claim he (the contractor)

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might make for some reimbursement", it was agreed to endorse the payment, but the decision is not to be regarded as a precedent in relation to Government contracts generally.

Secretary.

PRIME MINISTER.

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MINUTES

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WAR CABINET MEETING.

MELBOURNE, 11th JULY, 1940.

FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
The Hon. J.V. Fairbairn, M.P., Minister for Air.
The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
The Hon. J. McEwen, M.P., Minister for External Affairs.
The Hon. P.C. Spender, K.C., M.P., Treasurer.
Senator the Hon. H.S. Foll, Minister for the Interior.

372(w) (412) HIGHER DIRECTION OF THE ARMY.

The following subjects were raised for discussion without agendum :-

- (i) The appointment of a Commander-in-Chief.
- (ii) The appointment of a Commander-in-Chief for Home Defence and for the command and training of the Militia Forces.
- (iii) Direct Militia representation on the Military Board or at Army Headquarters.

(1) The Appointment of a Commander-in-Chief.

The Minister for the Army considered that this matter had to be approached from the aspects of :-

- no action*
- (a) Preparation for war;
 - (b) The imminence of war.

In regard to (a), the Minister was of the view that in appointing a Commander-in-Chief, the only change would be in substituting this officer for the Military Board. In practical effect, the present system would continue, except that the Commander-in-Chief, instead of dealing with members of the Board, would deal with the same persons as members of his Staff.

In regard to (b), the Minister said it would be necessary, at the imminence of war, for the Prime Minister to consider the appointment of a Commander-in-Chief and the powers to be vested in him to control not only military affairs but also civil matters that were in any way related to military operations.

The Minister for the Army was of the view that there would be no advantage in the changes proposed under (a). At

present, the situation had not arisen for consideration of any change under (b).

The Chief of the General Staff stated that unless the Commander-in-Chief were given greater powers than the Military Board there would be no change except in name. The need for the appointment of a Commander-in-Chief did not arise until there was an emergency involving the real likelihood of war, and it would be for the Government to determine when this situation had been reached.

(ii) The Appointment of a Commander-in-Chief for Home Defence and for the Command and Training of the Militia Forces.

The Chief of the General Staff did not consider there was any necessity for such an appointment, as the Army was a unified organisation whether it comprised members of the Permanent Forces, the Militia Forces, or the A.I.F. The administration of the Military Board embraced the whole of the Forces, and in regard to training, on which stress had been laid, disadvantages rather than benefits would result. At the present time, there is a Directorate of Military Training in the General Staff, which is responsible for the training of the whole of the Forces. To transfer the responsibility for the training of the Militia to another officer would involve the duplication of the present training staff, with no advantages and with the danger of lack of uniformity.

The appointment of a C.-in-C. as proposed would entail a duplication of A., Q., M.G.O. and Finance Staffs.

(iii) Direct Militia Representation on the Military Board or at Army Headquarters.

The Chief of the General Staff emphasized that the Australian Military Forces were primarily citizen, with small permanent cadres. There was no need to provide for special representation of the Militia Forces on the Military Board, and a parallel did not exist as in the case of the British Army, where the Territorial Army was represented. If desired, the Chief of the General Staff would be only too pleased to have a further deputy Chief of the General Staff, who might be a selected Militia officer.

No decision was reached by War Cabinet on any of the foregoing subjects.

345
359

(415) ENLISTMENTS IN A.I.F. - TEMPORARY LIMITATION.

Army
Heavy

The Minister for the Army stated that, in view of the policy of the Government to raise and train 250,000 personnel required to bring the Australian Military Forces to war establishment, it had been found on examination that the resources available and production estimated within the next three months, were insufficient to meet the requirements of unlimited numbers of A.I.F. as well as the A.M.F.

Under the present rate of intake for A.I.F. there would be deficiencies in accommodation, clothing, camp and training equipment.

3.

The quotas of personnel required to complete the 7th and 8th Divisions and Corps Troops, plus their reinforcements, have either been enlisted or are in view, and he strongly recommended that the strength of the A.I.F. in Australia should now be stabilised at 80,000, the present strength in camp being 77,000 and enlistments for the four weeks ended 10th July being 41,400.

The reasons in support of this recommendation were further elaborated as follow :-

- (i) ^{that} The important inter-relation exists between the strength of the A.I.F. in Australia and that of the Militia Forces. As stated by the Prime Minister on 16th June, the Government decided that the total strength of the land forces to be maintained in Australia should be 250,000. This is to be achieved by an aggregation of the strength of the Permanent Forces, the Militia, garrison battalions, the Militia Reserve, the new reserve being constituted by the Returned Soldiers' League, and the A.I.F. in Australia. The Militia organisation is the essential framework of the land defence of the Commonwealth. These Forces have been organised and raised, and, in an emergency, would be mobilised and concentrated on a predetermined strategical plan. It is essential, therefore, that due balance should be observed between the constituent parts of the aggregate strength of 250,000.
- (ii) In addition to the military considerations of organisation mentioned, it is necessary to pause on the manpower side of preparations, in order to consolidate the position by concentrating on the training and equipment of the 250,000 in view.
- (iii) It has also to be borne in mind that the Government is embarking on a large munitions programme which will extend to most industries. This is an added reason, though not the primary one, why, for the time being, a temporary limit has been reached in regard to the number of men who should be withdrawn from industry and other classes of economic activity.

The recommendation of the Minister for the Army that the strength of the A.I.F. be stabilised at 80,000 was approved. Consideration is also to be given to the calling up of single men in several age groups when the additional quotas for the Militia Forces are decided upon.

(414) EVACUATION OF WOMEN AND CHILDREN FROM PAPUA AND NAURU.

The above question was raised without Agendum by the Prime Minister.

On 28th June cablegrams were received from New Guinea and Nauru, asking whether the present situation warranted their Governments' advising the women and children to leave for Australia as opportunity offers and indicating that some residents were uneasy and seeking Government guidance.

The question was referred to the Defence Committee, which recorded the following opinion thereon :-

*P.M.
State decision
conveyed by
P.M. to Mr. Nich
Asst. Min.
Admin.
Secretaries*

"The Defence Committee consider that there is a possibility of interference with sea communications and shipping services to New Guinea. It would be impossible to guarantee evacuation after an outbreak of hostilities, and the Committee suggest that women and children and civilians not engaged in any essential work should be encouraged to proceed to Australia."

War Cabinet decided that it would be inadvisable to approve of the recommendation of the Defence Committee, but should any women and children wish to return to Australia, they should not be dissuaded from leaving.

(415) PROPOSED GRAVING DOCK - GARDEN ISLAND.

(Previous reference - War Cabinet Minute No. (372) - Navy (ii)).

The Minister for the Interior raised without agendum the question of the proposed graving dock for Garden Island, and referred to the cablegram of 6th July received from the High Commissioner, London, setting out the conditions under which Sir Alexander Gibb & Partners would be prepared to accept appointment as consulting engineers for the construction of the dock.

*Intram
Army
Navy*

It was agreed that Sir Alexander Gibb & Partners be appointed consulting engineers and that they be instructed to proceed with contract drawings and particulars required for the execution of the work, either by contract or other methods, and be authorised to send an experienced engineer to Australia for advice and consultation as soon as possible.

448

(416) WOMEN'S NATIONAL SERVICE ORGANISATION - AUXILIARIES TO THE SERVICES.

(Previous reference - War Cabinet Minute No. (371)).

The Minister for the Army verbally outlined the views of the Minister for Air and himself on the employment of women as auxiliaries to the Services. They advised that there was no shortage of manpower for the duties which women could undertake, and that the provision by the Commonwealth of training, uniforms and funds for any other requirements could be better directed to activities of a higher priority.

*Army
Air*

It was decided that the Services should indicate the activities in which women could be most usefully employed should the need arise, in order that the women's organisations could proceed with the training of their members in these duties. The organisation of auxiliary training for the Services should remain on a State basis at this stage, and there should be no expenditure by the Commonwealth. It was emphasized that any scheme, if given effect, should not result in the actual displacement of men from their employment.

Navy

(417) AIR SERVICE IN THE PACIFIC - PAN-AMERICAN AIRWAYS.

The Minister for Air raised without agendum the question of the Pan-American Airways service, which will commence next week and will operate thereafter once fortnightly from San Francisco via Honolulu, Canton Island and Noumea to Auckland. He stated that Pan-American Airways also propose to operate a yacht to carry passengers and mail between Noumea and Sydney, but would not proceed with this proposal if the necessary permission were given for them to extend their service from Auckland to Sydney.

The Minister for Air stated that if the right of Pan-American Airways to land in Australia be authorised, an important bargaining counter for landings in Hawaii for a British Trans-Pacific Service would be lost, and further indicated that in his opinion negotiations of this nature should be conducted between the Governments of the U.S.A. and Australia.

War Cabinet approved that :-

- (i) The Commonwealth Government should adhere to its present attitude of refusing to negotiate with Pan-American Airways in regard to rights for landings in Australia, and should endeavour to have any such negotiations conducted on the basis of Government to Government, which would provide an opportunity of raising the question of reciprocal rights in United States territory on a proper basis;
- (ii) To minimise the value of the proposed yacht connection Noumea-Sydney, the time-table of the Trans-Tasman service be adjusted to connect at Auckland with the Pan-American Airways service. So that this may be brought about without delay, the Tasman Air Commission, which is representative of the United Kingdom, New Zealand and Commonwealth Governments and which could meet in New Zealand next week, be asked to investigate immediately and recommend to the three Governments how this could best be done, having regard also to the importance of the Tasman time-table in regard to inter-Dominion and Empire correspondence.
- (iii) The Department of External Affairs investigate further whether we already possess, or could under present circumstances obtain rights for an Australian service to operate to Noumea;
- (iv) Qantas Empire Airways be requested to fit immediately the extra tanks necessary to give the aircraft a sufficient range to operate regularly to Noumea if that becomes necessary;
- (v) In view of the interest of the United Kingdom and New Zealand Governments in this matter, and in view of the resolutions of the Wellington conferences, these two Governments be kept informed and consulted on the whole matter.

*Mr. M.
E. A.
Treasury*

War Cabinet noted that it should never be necessary actually to operate the Australian air service to Noumea, but our ability to do so should counter the Pan-American proposal for a yacht connection.

(418) NEW CALEDONIA - DESPATCH OF AUSTRALIAN REPRESENTATIVE.

(Previous reference - War Cabinet Minute No. (365)).

✓

E. A.

The Minister for External Affairs raised without
agendum a proposal that a representative of the Commonwealth
Government be sent to New Caledonia on a mission of goodwill and
enquiry, and to consult with the Governor in order to ensure the
continuance of friendly relations with this French possession.
He proposed that Mr. B.C. Ballard, who is the representative of
Australian interests in the administration of the Condominium in
the New Hebrides, should be selected. It was approved that a
cablegram should be despatched to the United Kingdom Government
along the lines proposed.

Secretary.

PRIME MINISTER.

INVICTA BOND

MINUTES

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WAR CABINET MEETING.SYDNEY, 16th JULY, 1940.FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
 The Hon. J.V. Fairbairn, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

(419) AGENDUM No. 165/1940 - SWISS MACHINE MANUFACTURING EXPERTS AND MOTOR MECHANICS - QUESTION OF ADMISSION INTO AUSTRALIA.

Munitions
Interior
Army

In view of the shortage of skilled tradesmen and the measures being taken for the training of additional men, agreement in principle was expressed with the recommendation of the Minister for the Interior for the admission from Switzerland, under certain conditions, of machine manufacturing experts who have a knowledge of high-class machine tools, and motor mechanics.

War Cabinet considered it important that the general description of "machine manufacturing experts and motor mechanics" should be more specifically designated under the particular classes of tradesmen required by Australia, in order that such information can be conveyed to the United Kingdom Government in the reply. It will then be possible for the Dominions Office to advise whether these particular types are available, as the intention is that only such classes shall be admitted. In regard to "motor mechanics" in particular, it is to be made clear that they are not to be garage hands, but engineers skilled in motor manufacturing work.

The Director-General of Munitions is to be asked to furnish the more descriptive information of types of tradesmen required, and to discuss the matter with the Director of Labour of his Department and Labour representatives on the State Boards of Management, as considered necessary.

In the reply to the United Kingdom Government it is to be stipulated also that it is assumed the necessary safeguards exist to ensure that the attitude of any tradesmen admitted will not be prejudicial to the public interest, and that it will be possible to prevent the infiltration of persons with enemy sympathies.

(420) INTERNMENT OF ENEMY ALIENS.(Previous reference - War Cabinet Minute No. (303)).

The Attorney-General raised the question of public opinion in Sydney in regard to enemy aliens whom it was considered should be interned, or those who had been interned and released. The subject had also been represented to him by the Attorney-General of New South Wales.

Army
WBO?

During the discussion, the Minister for the Army mentioned that the military authorities had acted in all cases in which the freedom of enemy aliens or naturalised British subjects would be prejudicial to the security of the State. The release of the latter was only possible under the machinery provided for in National Security (General) Regulation 26, which had recently been strengthened (Minute No. (303)).

This subject was confined to discussion, and no decision was taken on the matter.

429

(421) ACQUISITION OF REAL PROPERTY BY ENEMY ALIENS.

War Cabinet decided in regard to the acquisition of property by aliens that for the duration of the war :-

- ✓ Atty Gen*
✓ WBO
- (i) An enemy alien is not to acquire real property;
 - (ii) A naturalised alien of enemy origin is not to acquire real property without the consent of the Attorney-General.

This decision is to be effective from the date of announcement, and, in cases where contracts have been made but transfers have not been completed, the transfer of title is to be subject to the approval of the Attorney-General. A return is to be furnished by all enemy aliens who have acquired real property since the outbreak of war, furnishing details in a form to be prescribed.

To facilitate administration of these Regulations, the Attorney-General will have authority to delegate his powers to a Minister in each State.

Enemy aliens are German, Austrian and Italian subjects. Subjects of other territories in enemy occupation will require to obtain the approval of the Attorney-General to the acquisition of real property, in the same manner as that laid down for naturalised aliens of enemy origin.

428

(422) SUBVERSIVE ACTIVITIES.

appt to Sir Basil Kinnear personally

334

Atty Gen
appt
Ph.
appt
7th April

Following a discussion on subversive public utterances and the necessity for curbing them, the Prime Minister recalled the policy of the Government, as outlined in the Governor-General's speech of 17th April :-

3.

"My advisers have noted the subversive activities of a relatively small but intensely active body of Communists in Australia - men who have in many instances achieved industrial and other positions of importance which enable them to exercise an influence out of all proportion to their numbers. My advisers have hesitated to adopt restrictive or punitive measures which might even remotely be regarded as a limitation upon freedom of political thought or action, the freedom for which we are fighting. But the limits of freedom in an organized community are reached when men profess an allegiance to a nation other than their own, when they plan to overthrow constitutional government, when they direct their activities towards the defeat of their own country in a war to which that country is committed. My Government will put into operation measures designed to deal with any individual or group offending against the wholesome principles to which I have referred. It is reviewing the provisions of the existing law; it has arranged that Communist newspapers and periodicals shall be submitted to rigid censorship; it proposes to introduce special rules regarding the signing and authorization of certain pamphlets and other printed matter; in appropriate cases prosecutions will be instituted. There is an honest and resolute determination on the part of the vast majority of Australians, whether employer or employee, whether rich or poor, to win the war, and no gentle consideration can be extended to those whose real desire is that we should lose it."

The following legislative provisions were also referred to by the Prime Minister :-

National Security (General) Regulation 17B, relative to prohibited papers;

National Security (General) Regulation 42, relative to propaganda likely to be prejudicial to the defence of the Commonwealth or the efficient prosecution of the war;

National Security (Subversive Associations) Regulations.

The Attorney-General mentioned the difficulty of obtaining information on which to launch prosecutions with success, and illustrated his views with reports of speeches made in the Sydney Domain.

It was generally agreed that more active steps should be taken to enforce the law on this subject.

(423) UNFAIR CRITICISM OF THE NATIONAL WAR EFFORT.

The discussion referred to in Minute No. (422) gave rise to a further one on criticisms of the national war effort which were not justified by the facts, the following cases being cited :-

- (1) The Minister for Air: The Sydney Daily Telegraph's continued criticism of the Empire Air Scheme, despite a denial from Canada that its effort was being speeded up as reported. (D.T. of 16th July).

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ackm

copy from
to P.M.

4.

(ii) The Minister for Commerce; The Sydney Morning Herald's criticism of the Government's war agricultural policy. (S.M.H. of 16th July).

The Minister also referred to a recent statement by the Director-General of Information on a lack of enthusiasm for the war effort and defeatist attitude "of a good many people" in Sydney. This had been resented by leading people as not in keeping with figures relating to enlistments and subscriptions to War Loan and Patriotic Funds. (S.M.H. of 13th July).

The Prime Minister asked Ministers to give him lists of instances as mentioned, so that he could raise the matter with the Director-General of Information and have the specific cases discussed with editors of newspapers. Failing a satisfactory response to such a course, the view was expressed that consideration should be given to putting censors into the newspaper offices instead of allowing the papers to operate along the guiding principles at present laid down.

(424) AGENDUM No. 148/1940 - INTERNAL CIVIL SECURITY.

(Previous reference - War Cabinet Minute No. (369)).

*no
air
min
by
pm.*

Further consideration was given to this Agendum, and it was decided to approve of the principle of the recommendation of the Minister for Co-ordination to form a Department of Internal Civil Security, with a Minister and a Director as chief administrative officer. Upon their appointment the Minister and the Director are to prepare a scheme of organisation for the Department and a system of administrative procedure in regard to its activities and their relation to other Departments concerned.

(425) AIRCRAFT FOR EMPIRE AIR SCHEME.

(Previous reference - War Cabinet Minute No.(397) Air(iii)).

*no
air*

The Minister for Air reported he was in receipt of advice from the United Kingdom that Anson and Battle aircraft for the Empire Air Scheme are now to be shipped to the extent required, after allowing for any deliveries which may be made from the U.S.A. of aircraft of a substitute type.

Secretary.

PRIME MINISTER.

MINUTES

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WAR CABINET MEETING.

MELBOURNE, 23rd JULY, 1940.

FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

- (426) AGENDUM No. 163/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 26 - WEEK ENDED 13th JULY, 1940).
- AGENDUM No. 169/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 27 - WEEK ENDED 20th JULY, 1940).

(The three Chiefs of Staff were present for the discussion of these Agenda).

(A) WEEKLY REPORTS BY THE CHIEF OF THE NAVAL STAFF.

The Naval reports were noted by War Cabinet after the following subjects had been mentioned by the Chief of the Naval Staff :-

- (1) Future A.I.F. Convoys. The Chief of the Naval Staff mentioned that, in accordance with the original intention for the despatch of contingents of the A.I.F. abroad (vide cablegram 280 of 11th June), arrangements were being made in conjunction with the Army for the despatch to Palestine of a convoy, sailing in late August, which would carry 6,000 A.I.F. troops.

*Naval
Army
together with
copy of
cablegram
despatched*

*Sec's
inclusion*

(under S.D.C. F.W.Sec)

The Chief of the General Staff explained that the 6,000 men includes 3,800 reinforcements and certain ancillary units to complete the organisation of the forces already in the Middle East. It is also desired to despatch the following additional equipment :-

- (a) War equipment for 2/2 Fd. Regt. -

Q.F. 18-pr. Mk.IV(P) and associated stores	.. ..	16 equipments
Q.F. 4.5" How. (P) and associated stores	.. ..	8 "

- (b) War equipment for 2/2 Fd. Coy.

2.

(c) Other Weapons -

Vickers M.M.Gs. .303" and associated stores	90
Boys Anti-tank Rifles	70
M.L. 3" Mortars	10
Pistols revolver .455"	400

(d) Carriers (M.G. or Universal) -

20 to be despatched to Palestine immediately and the balance (118) to be made available as production permits.

(e) General -

Other items of equipment and stores which could be supplied and maintained from Australian sources of supply.

(f) Ammunition -

The equipment ammunition for all units and subsequent maintenance to be despatched as shipping is available as far as possible from Australian sources.

(g) Reserves -

Maintenance reserves as required that can be made available from Australian sources of supply.

The Chief of the General Staff stated that the following was the strength of the forces already abroad :-

In the United Kingdom	..	8,727
In the Middle East	..	<u>13,465</u>
Total	..	<u>22,192</u>

War Cabinet approved of the despatch of the 6,000 troops as proposed, together with the equipment mentioned, provided that the United Kingdom Government is able to guarantee their passage to Suez. 442

The Chief of the Naval Staff also mentioned that, in accordance with cablegram 280 of 11th June, preliminary arrangements were being made for the organisation of shipping and escorts for the convoy of 31,000 troops which it was originally intended to despatch late in September.

War Cabinet noted that the United Kingdom Government was advised in cablegram 346 of 3rd July, in reply to Dominions Office cablegram 228, requesting a division for Malaya, that a conclusion on the despatch of further formations from Australia is governed by the new appreciation on the Far East, which has not yet been received. It was decided that until this is obtained it is impossible to discuss dates and consequential shipping arrangements. Finally, an essential condition for the despatch of additional troops abroad is an assurance from the United Kingdom Government that, if such a decision should be reached, the necessary equipment will be ready for them on arrival.

A cablegram is to be despatched to the United Kingdom Government on the lines of the foregoing conclusions.

3.

(ii) Patrol Vessels. The Chief of the Naval Staff stated that the present authorised construction programme for patrol vessels is as follows :-

*Navy
Nearing.*

10 for Australia
7 for the Admiralty.
17

*F.O.
B.Bd.*

Enquiries had been received for the construction of the following additional vessels :-

10 for the Admiralty
8 for India
18

The Chief of the Naval Staff stated that, under the plans covering the possibility of war in the Far East, it was contemplated that 50 trawlers would be made available by the United Kingdom Government. It would be impossible for these vessels to be despatched under present conditions, and it was also impracticable to take up additional ships from the coastal trade without gravely prejudicing the transport of sea-borne commerce. He was therefore of the opinion that seventeen more vessels should be ordered to provide for Australian requirements, making an aggregate of 52 vessels.

War Cabinet authorised the necessary preliminary enquiries and arrangements being made, subject to the submission of a detailed proposal for approval.

(B) WEEKLY REPORTS BY THE CHIEF OF THE GENERAL STAFF.

The Army reports were noted by War Cabinet after the following subjects had been mentioned by the Chief of the General Staff or raised by War Cabinet :-

- (i) Man Power for Industry. Reference was made to the conference held on the preceding day between representatives of the Services and the Departments of Co-ordination and Munitions, relative to the release of skilled men from the Army and Air Force for munitions and other essential industries.
- (ii) Tanks. The Chief of the General Staff stated that communications were passing with London regarding the type of tank and obtaining the services of officers experienced in recent tank warfare.

(C) WEEKLY REPORTS BY THE CHIEF OF THE AIR STAFF.

The Air reports were noted by War Cabinet after the following subjects had been mentioned by the Chief of the Air Staff or raised by War Cabinet :-

- (i) Aircraft. With regard to deliveries from the United Kingdom for the Empire Air Scheme, the Chief of the Air Staff stated that a schedule had been forwarded to the Air Ministry outlining the deliveries required to make up a lag resulting from the recent suspension of the despatch of Anson and Battle aircraft.

4.

The Chief of the Air Staff also stated that a conference had recently been held in the United States to examine the allotment of deliveries to the various parts of the Empire, consequent upon the French collapse.

- air*
- (ii) Recruiting. Further reference was made to the high percentage of rejections for Victoria (vide Minute No. (397)), and the Chief of the Air Staff said that he would make further enquiries. He had already made provision for Inspectors to ensure that a common medical standard was observed throughout the Commonwealth.
- air*
- (iii) Aircraft Crashes. Arising from rumours of recent crashes of Hudson aircraft, the Chief of the Air Staff said that he would include in his report in future reference to any serious losses that might occur.
- (iv) Expansion of R.A.A.F. to 32 Squadrons. The Prime Minister raised the question of the origin of the proposal for aircraft for the expansion of the R.A.A.F. to 32 squadrons. He was under the impression that this had arisen at the time the despatch of Ansons and Battles was suspended. He recalled the following extract from Minute No. (299) :-

air

reassembly

J. a

"(v) Air Defence of the Commonwealth. In reply to an enquiry by the Attorney-General as to the adequacy of the provision being made for the Air Defence of the Commonwealth, the Chief of the Air Staff stated that nineteen squadrons were provided for under the Programme, of which three would be overseas, one being the flying boat squadron in the United Kingdom, the second the Army Co-operation squadron with the A.I.F., and the third a bomber squadron at Singapore. With the completion of delivery of the hundred Hudsons, the obtaining of the seven P.B.Y.-5 flying boats now recommended and the increased production of Wirraway aircraft contemplated, the Chief of the Air Staff said that a sufficient striking force would be available to make an aggressor think seriously before attacking. The force in course of development and under training for the Empire Scheme would be sufficient for our needs, and if we obtained the aircraft proposed we would be safe.

(Note: The Chief of the Air Staff subsequently stated that the word 'safe' was intended to convey to War Cabinet his conviction that, in the circumstances quoted, Australia would be in a 'safe' position to implement her obligations under the training plan and not 'safe' from attack by a powerful enemy nation)."

The Prime Minister desired to know whether we reverted to the original situation now that the shipment of Ansons and Battles was to be resumed.

The Chief of the Air Staff stated that he considered the additional aircraft for the expansion of the force to 32 squadrons were necessary for reasons of local defence, particularly in view of the despatch of five squadrons abroad, and that it was necessary to obtain from U.S.A., if possible, the aircraft about which enquiries had been made, lest the United Kingdom sources should fail.

The Prime Minister recalled that the general conclusion of Cabinet, as recorded in Minute No. (391), was as follows:-

"It was also decided that information should be forwarded to the Australian Minister in Washington of the difficulties that have arisen in regard to aircraft,

5.

owing to the suspension by the United Kingdom Government of the despatch of Anson and Battle aircraft for the Empire Air Scheme. A request is to be made to the Australian Minister to ascertain the prospects of supply of aircraft of the types required for the expansion of the R.A.A.F. by the formation of thirteen additional squadrons, if such should be decided upon."

The Chief of the Air Staff stated that he was not in a position yet to report on the prospects of supply from U.S.A.

(D) GENERAL.

no action

Use of Australian Scientists Abroad. The Treasurer stated that there was a feeling in scientific circles that a group of highly qualified scientists should be sent to Britain to help with the scientific aspect of the war effort. The Chief of the Naval Staff stated that he would raise the matter at the next meeting of the Radio-physics Advisory Board, as Professor Madsen and Sir David Rivett, who are members of this body, are probably the persons most qualified to express an opinion on this suggestion.

(NOTE: See the Prime Minister's cablegram of 3rd December, 1939, to Mr. Casey in London on this subject and the latter's reply C.63 of 7th December).

(427) BADGES RELATING TO WAR SERVICE.

(Previous reference - War Cabinet Minute No. (364)).

*Navy
Army
Air
Ministers
Mr. Power*

War Cabinet examined and approved the designs of badges relating to war service which had been prepared under the supervision of Mr. Harold Herbert, of the Commonwealth Art Advisory Board.

(428) NATIONAL SECURITY (LAND TRANSFER) REGULATIONS.

(Previous reference - War Cabinet Minute No. (421)).

*Atty-Gen
N.S.W.*

The draft National Security (Land Transfer) Regulations were approved by War Cabinet, but the Attorney-General's Department is to examine further the provision relating to leases for a term of more than five years, the reasons for the minimum period and the desirability of reducing it.

(429) POLICY OF NEW SOUTH WALES GOVERNMENT IN REGARD TO COMMERCIAL ACTIVITIES OF ALIENS.

*no action
except copy
to P.M.*

Reference was made to the action of the New South Wales Government, which is precluding aliens from earning a livelihood by refusing them licences for factories and other avenues of commercial activity. It was decided that the Prime Minister should take the matter up with State Premiers at his next meeting with them.

(430) AGENDUM No. 164/1940 - EXPANSION OF MUNITIONS PRODUCTION - NAVAL REQUIREMENTS.

Munition }
Navy } all
Army }
Air } para 2

The following recommendations were approved :-

- (a) That local orders be placed with the Department of Munitions for the Naval requirements of munitions set out in the Agendum, the estimated cost being £289,210.
- (b) That the London orders to the value of £111,000 covering the requirements now to be ordered locally under (a) be cancelled, in view of the stated probable inability to obtain the supplies from the United Kingdom under existing conditions.

In regard to orders remaining on London for Naval munitions and for munitions requirements of the Army and Air Force, it was directed that these should be examined by the Service Departments with a view to :-

- (a) Ensuring that no funds remain in the London Liabilities Account for orders which have been placed for local manufacture;
- (b) Effecting the release of funds earmarked for orders at present placed in London, for requirements which could be produced locally by a more satisfactory date, either by present manufacturing capacity or the creation of additional capacity; the extra cost, if any, of local supplies to be indicated;
- (c) Cancelling orders which are unlikely to be fulfilled by the time required.

A report is to be submitted to War Cabinet on the action taken and indicating the classes of supplies which will then remain on order from the United Kingdom, their estimated cost, and the prospective dates of delivery.

(431) SUPPLEMENT No. 1 to AGENDUM No. 157/1940 - PRISONERS OF WAR AND INTERNEES FROM ABROAD.

(Previous reference - War Cabinet Minute No. (388)).

Approval was given to the construction of the following internment camps for the accommodation of 6,297 German and Italian prisoners of war and internees from Great Britain and Malaya :-

Army }
Navy }
C'gram 6/80

	£.
<u>Eastern Command -</u>	
Two camps each for 1,000 at Hay	100,000
<u>Southern Command -</u>	
<u>Near Rushworth -</u>	
One camp for 1,000 men internees	50,000
Two camps each for 1,000 comprising married couples, females and children	120,000
One camp for officers	10,000
<u>In South Australia at a site to be selected -</u>	
One camp for 1,000 men internees	50,000
	<u>£330,000</u>

In regard to the proposal in paragraph 3 of the Agendum for the provision of the following reserve accommodation for additional local internees or further numbers from abroad :-

<u>Southern Command</u> -		£.
In South Australia at a site to be selected -		
One Reserve Camp for 1,000 internees ..		50,000
<u>Eastern Command</u> -		
One camp for 1,000 Australian internees at Hay		50,000
<u>Western Command</u> -		
One camp for 1,000 Australian internees at a site to be selected		<u>50,000</u>
		<u>£150,000</u>

the proposal is to be reviewed by the Minister for the Army with special reference to existing accommodation and the need for reserve requirements.

It was noted that the messages received from the Secretary of State for Dominion Affairs, London, and the Governor-General of Singapore, asking if the Commonwealth Government would accept these internees and arrange for their detention, stated that "any expenditure on account of transportation and maintenance" would be borne by the United Kingdom and Malayan Governments respectively.

It was decided that capital expenditure by the Commonwealth in respect of the provision of internment camps should also be recovered from the Governments concerned and that the scope of the maintenance expenditure should be made clear. Cablegrams in the following terms are to be despatched to the Dominions Office and to the Malayan Government :-

Cable to Dominions Office:

"Reference your cable 258 of 17/7/40 and previous message regarding transfer of enemy internees from the United Kingdom to Australia. It is, of course, assumed that in addition to expenditure recoverable by this Government on account of transport and maintenance, capital outlay in providing camps will also be recoverable by Commonwealth Government. Cost of maintenance is broadly interpreted as provision of guards and full cost of camps."

Cable to Governor-General, Singapore:

"Reference your cable No. 250 of 25th June regarding transfer 297 German and Italian nationals to Australia. It is, of course, assumed that in addition to expenditure recoverable by this Government on account of transport and maintenance, capital outlay in providing camps will also be recoverable by Commonwealth Government. Cost of maintenance is broadly interpreted as provision of guards and full cost of camps."

In view of the danger of enemy agents amongst enemy women, a report is to be submitted on the reasons for non-internment of women, whether those released have left Australia, and the precautions taken in regard to the activities of those remaining.

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(432) AGENDUM No. 166/1940 - ENLISTMENTS IN THE A.I.F. - UNITED KINGDOM.(Previous reference - War Cabinet Minute No. (226)).

Army
navy

Consideration was given to the cablegram dated 3rd July, 1940, from the High Commissioner on the question of enlistment in London of Australians wishing to serve in the A.I.F.

The Government's decision shortly after the outbreak of war that persons should not be enlisted outside Australia for the A.I.F. was re-affirmed in War Cabinet Minute No. (226), with the proviso that the Military Board be empowered to call up for duty on establishments abroad members or ex-members of the Australian Forces possessing special qualifications for such employment.

It was decided that this policy should be adhered to.

(433) SUPPLEMENT No. 2 to AGENDUM No. 149/1940 - SUPPLY OF AIRCRAFT BOMBS AND COMPONENTS.(Previous reference - War Cabinet Minute No. (408)).

War Cabinet noted the statement showing the stocks of aircraft bombs held at 1st July, 1940, the quantities on orders unfulfilled at that date, and the additional requirements to June, 1943, for war reserve, training home defence units (nineteen squadrons), and the Empire Air Training Scheme.

It was noted that additional requirements to cover the major scale of attack as well as those for thirteen additional squadrons were now being calculated. The latter aspect is related to Minute No. (426)(C)(iv), relative to aircraft for the formation of these squadrons.

(434) TRADE UNION ADVISORY PANEL.

No action

The Prime Minister outlined the present stage of the negotiations for the appointment of a Trade Union Advisory Panel and stated that, insofar as the A.C.T.U. was concerned, the decision to co-operate appeared to hinge on the Hobart Branch, as two States had voted in favour of and two against the proposal. In view of the fact that the main Unions concerned in the war effort had indicated their willingness to co-operate with the Government, it was decided that the Prime Minister should proceed forthwith with the issue of invitations for the formation of the Panel.

Secretary.

PRIME MINISTER.

MINUTES

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WAR CABINET MEETING.MELBOURNE, 24th JULY, 1940.FULL WAR CABINET.

PRESENT: The Rt. Hon. R.C. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

(435) AGENDUM No. 168/1940 - PETROL REQUIREMENTS FOR THE ARMY IN A WAR IN AUSTRALIA.

War Cabinet noted that the annual petrol requirements of the Army in the event of war in Australia would be 60,000,000 gallons, and approved of action being taken to ensure that a reserve based on six months' requirements should definitely be made available to the Army from stocks existing in the country on the outbreak of hostilities, and placed under Government control.

It was decided that the method by which this reserve will be ensured in the localities required by the Army, and the proposal for the creation of an Army Oil Council be referred to the Commonwealth Oil Board for investigation and report. The Army representative on the Oil Board is to furnish to the Board the necessary information and advice as to Army requirements.

(436) AGENDUM No. 171/1940 - ACCOMMODATION AT VICTORIA BARRACKS.

War Cabinet was advised that the building proposed would be erected on land owned by the State Government and that its occupation by the Defence Department would, if approved, be arranged on a rental basis in conjunction with Prince Henry's Hospital, which had been given the right of possession but did not, at present, require occupation of the whole area.

War Cabinet re-affirmed the principle contained in Minute No. (213) of 3rd April, that Commonwealth Buildings should be erected on freehold land. It was therefore decided that the Director of Works, who is dealing with the details of the proposal, should submit a report as to the practicability of the provision of an additional building within the Victoria Barracks area, and the possibility of affording immediate relief to overcrowded sections by transfers from the Barracks area until the building in question is completed.

(437) AGENDUM No. 170/1940 - SUPPLY OF MUNITIONS TO NEW ZEALAND.

During a recent visit to Australia, the New Zealand Minister for Supply communicated with the Prime Minister on the question of the supply by Australia of New Zealand's munitions and other war requirements.

The New Zealand Minister asked that New Zealand should rank pari passu with Australia in priority for its defence requirements, and submitted a statement of the special immediate needs of the New Zealand Defence Forces. He also asked that New Zealand be supplied by Australia with its urgent war and other requirements on a price basis equal to that for the various Commonwealth Departments.

S.O.C

Munition

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Army

Recovery

The following recommendations of the Defence Committee in regard to the supply of munitions were approved :-

(i) Priority Aspect:

New Zealand should not rank pari passu with Australia in priority for its defence requirements, but assistance should be afforded by Australia to the fullest practicable extent.

(ii) Price Basis for Munitions:

Munitions should be supplied to New Zealand on the basis of actual cost plus inspection and proof charges and freight.

(iii) Specific Requirements:

(a) Components for Small Arms Ammunition (for 30,000,000 rounds) :

Delivery to be made at the rate of 2,000,000 rounds per month.

- (b) Small Arms Ammunition (5,000,000 rounds);
- Rifles (20,000 and prospective Order for further 20,000);
- Barrels (10,000);
- Vickers Machine Guns (200);
- Revolver Cartridges .455" (300,000) :

Before a decision is given in relation to these items, information should be obtained as to stocks held by New Zealand and their consumption, in order that the relative position of Australia and New Zealand may be ascertained.

(c) As to Small Arms Ammunition :

In view of the improved production position, the following deliveries are recommended from next month's production (not from stock) :-

- 2,500,000 rounds to United Kingdom;
- * 2,500,000 rounds to New Zealand;
- 2,000,000 rounds to Army for Middle East.

* The allocation to New Zealand is provisional and subject to review in the light of advice furnished as to stocks and requirements, vide (b) above.

3.

(d) Machinery for Small Arms Ammunition :

Necessary machines to be ordered in Australia by the Department of Munitions upon receipt of advice of New Zealand Government's approval of data already supplied.

(e) Bullet-proof Steel for Bren Gun Carriers (200) :

In view of the modification of the design of the Bren gun carrier and the fact that many other items of supply would have to be obtained from Australia, it is suggested that New Zealand should review the whole project.

(f) Baratol, Fuzes and Detonators (for 200,000 Hand Grenades) :

It is expected that requirements can be supplied by the time New Zealand is ready to produce hand grenades.

(g) .22" Cartridges (2,250,000) :

New Zealand orders should be placed with the Department of Munitions for fulfilment by Imperial Chemical Industries Ltd. after completion by the company of existing Australian orders.

(h) Sundry Gun Ammunition :

The Departments of the Army and Munitions should advise as to the extent to which requirements, as communicated by New Zealand in the cablegram of 31st May, can be met.

(i) Bren Guns (350) :

As production of Bren guns in Australia is not expected to commence until the end of the year at the earliest, consideration of this request should be deferred.

(iv) Channel for Submission of Requests:

The channel for submission of requests by New Zealand for munitions should be between the two Governments or relative Government Departments or the New Zealand Liaison Officer.

A draft cablegram in terms of the above recommendations was approved for despatch to the Prime Minister of New Zealand.

(438) FOODSTUFFS SHIPPED FOR PAPEETE.

War Cabinet considered the undermentioned cablegram from the British Consul at Papeete and decided that the Consul should be informed that he was to seek from the French Governor a guarantee of the release of the ship after the discharge of its cargo. If the guarantee is not forthcoming the ship is not to proceed to its destination :-

"I am given this last opportunity by the Governor to cable you that this Consulate is closed by order from Vichy.

"2. Governor still hopes that the foodstuffs ship will be permitted to proceed here, but I cannot guarantee its

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safety. He is making one last attempt to be allowed to retain my services as Liaison Officer with Australia, to which proposal I have not committed myself.

"3. I have no information at this stage as to what further step may be taken affecting British interests. In my opinion, the colony would welcome British intervention as the population will otherwise be left to starve. Intelligence centre (?)^X has been kept fully informed of developments and I have sent you reports by ship now sailing, written prior to this notification from the Governor.

"4. I shall not burn my codes until irrevocable decision has been received from the Governor."

(^X mutilated code group)

Secretary.

PRIME MINISTER.

MINUTES

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WAR CABINET MEETING.

BRISBANE, 2nd AUGUST, 1940.

FULL WAR CABINET.

- PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Brigadier the Hon. G.A. Street, M.C., M.P., Minister for the Army and Minister for Repatriation.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

(439) SUPPLEMENT No. 1 to AGENDUM No. 99/1940 - V.A.D. PERSONNEL - RATES OF PAY AND ALLOWANCES.

(Previous reference - War Cabinet Minute No. (271)).

War Cabinet was of the opinion that nothing should be done to prejudice the large amount of voluntary service at present being rendered by V.A.D. personnel and decided that the Minister for the Army should enquire as to the possibility of using male orderlies for the type of work in view.

(440) AGENDUM No. 172/1940 - EFFECT OF MID-WEEK SPORT ON WAR PRODUCTION.

(Previous reference - War Cabinet Minute No. (381)).

The report of the Director of Labour Supply on the effect of mid-week sport on munitions production was noted. In regard to his recommendation that there should be a reduction of mid-week racing, trotting and dog racing in the metropolitan and provincial areas, it was understood that action in this direction has already been taken by the New South Wales Government. It was decided that the Director of Labour Supply should ascertain the position from the State Governments and confer with their representatives and those of the governing bodies of the sports concerned, with a view to submitting a further report on the position, together with precise recommendations as to the action proposed.

(441) AGENDUM No. 173/1940 - WEEKLY PROGRESS REPORTS BY THE CHIEFS OF STAFF (No. 28 - WEEK ENDED 27th JULY, 1940).

(A) WEEKLY REPORT BY THE CHIEF OF THE NAVAL STAFF.

The Naval report was noted by War Cabinet.

(B) WEEKLY REPORT BY THE CHIEF OF THE GENERAL STAFF.

The Army report was noted after the following subjects had been raised by War Cabinet :-

- (i) Wireless Receiving and Transmitting Sets of Aliens. It was noted that full power exists to control these under the National Security (Aliens Control) Regulations, but that action in suspected cases of contravention of the Regulations is dependent on enquiries by the Intelligence and Investigation staffs.
- (ii) Limitation of Enlistments. The Minister for the Army stated that any recruit who had passed the first medical examination at the time of the Prime Minister's announcement is being accepted, provided he passes the second examination. Others applying for enlistment have been told to retain their employment.

(C) WEEKLY REPORT BY THE CHIEF OF THE AIR STAFF.

The Air report was noted by War Cabinet.

(442) FOURTH A.I.F. CONVOY - DESPATCH.

(Previous reference - War Cabinet Minute No. (426)(A)(1)).

War Cabinet noted Dominions Office cablegram 271 of 27th July in reply to the Commonwealth Government's 384, and agreed that it warranted the despatch of the further contingent of 6,000 troops sailing in late August.

(443) SUPPLEMENT No. 2 to AGENDUM No. 62/1940 - MANNING OF ANTI-AIRCRAFT DEFENCES.

(Previous reference - War Cabinet Minute No. (230)).

Approval was given to :-

- (a) The calling up for full-time duty of -
 - (i) Six officers and 158 other ranks for manning anti-aircraft guns at Darwin;
 - (ii) One officer and 118 other ranks for manning the anti-aircraft lights at Darwin.
- (b) The Defence Committee being asked to report as to whether the probable scale and likelihood of attack requires the calling up for full-time duty of the remainder of the personnel proposed for other centres or whether their intensive training is sufficient.

The reference to financial provision is to be clarified, as details of the cost of training the expanded Militia Forces have not yet been submitted.

(444) SUPPLEMENT No. 1 to AGENDUM No. 140/1940 - HUTTED ACCOMMODATION.

(Previous reference - War Cabinet Minute No. (343)).

A decision on the provision of £840,000 for hutted accommodation for 14,000 A.I.F. troops was deferred to enable the Minister for the Army to submit statements showing :-

- (i) The schedule for training the Militia Forces indicating the numbers that will be in camp and the dates of training;
- (ii) The number of A.I.F. troops that will be in camp at the same time;
- (iii) The capacity of the existing accommodation, showing separately the present capacity of hutments, tentage and emergency accommodation such as showgrounds, racecourses, etc.;
- (iv) The further accommodation proposed under each heading shown in (iii).

(445) SUPPLEMENT No. 2 to AGENDUM No. 157/1940 - ACCOMMODATION FOR INTERNEES FROM ABROAD AND LOCAL INTERNEES.

(Previous reference - War Cabinet Minute No. (431)).

A decision was deferred for consideration by the Minister for the Army of alternative methods of providing hospital accommodation by the use, where possible, of existing hospitals in districts in which camps may be located, or by the erection of pavilions or wards at adjacent civilian hospitals.

A statement is also to be submitted showing the camp accommodation at present provided or authorised, the additional accommodation proposed and the number of internees definitely to be accommodated, distinguishing between overseas and local internees.

The apportionment of the capital cost between the United Kingdom and Australian Governments is to be indicated.

(446) NATIONAL SECURITY (WAR SERVICE MORATORIUM) REGULATIONS.

(Previous reference - War Cabinet Minute No. (380)).

The Attorney-General submitted a draft of the above Regulations. After a discussion, at which the following points were raised, it was decided to defer further consideration to enable the Attorney-General to examine these aspects and to give the Solicitor-General an opportunity to prepare an explanatory memorandum for the information of War Cabinet.

Section 2(1) - Degree of dependence of a female dependant.

Section 3 - Postponement of due date of principal secured by a mortgage contracted by a female dependant irrespective of degree of dependence and proof of case of hardship.

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- Section 8 - In view of the costs of legal process the particular courts to which application is to be made should be determined by the amounts of the debts to be recovered.
- General - The Solicitor-General is to examine the representations submitted by the parties interested in hire purchase and land purchase agreements.

(447) AGENDUM No. 174/1940 - HOSTILE ACTION AGAINST ITALIANS IN NORTH QUEENSLAND.

(Previous reference - War Cabinet Minute No. (350)).

(Major Wake of the Investigation Branch was present to furnish information on this item.

It was decided to take no action on this submission.

(448) CAPITAL SHIP GRAVING DOCK.

(Previous reference - War Cabinet Minute No. (415)).

War Cabinet considered the following cablegrams from the High Commissioner :-

- (i) Cablegram of 31st July recommending :-
- (a) Extension of southern end by 40 feet, making total length of 1,090 feet;
 - (b) Increase of width from 130 to 135 feet at cill level at caisson, giving a width at the entrance at coping level of 147 feet 6 inches;
 - (c) Modifications to ensure greater protection for machinery against possible bomb attacks.

The estimated cost of the foregoing is £66,000.

- (ii) Cablegram of 31st July relative to financial conditions proposed by Alexander Gibb & Partners for their employment as consultants and supervisors.

The proposals in both cablegrams were approved.

(449) ANGLO-JAPANESE RELATIONS.

(Previous reference - War Cabinet Minute No. (399)).

The Minister for External Affairs read a proposed draft reply to Dominions Office cablegram No. M.44 of 1st August.

The reply was approved, subject to suggestions that the action proposed by the United Kingdom Government should be deferred

to enable the attitude of the U.S.A. Government to be ascertained, and that the British Empire should not become committed to a policy of appeasement towards Japan.

(450) SYDNEY ROYAL AGRICULTURAL SOCIETY SHOW.

The Prime Minister referred to representations made to him by the Society regarding recoument of its annual expenditure should the Showgrounds continue under military occupation and the Society be prevented from holding its annual show. The prospect of the Army evacuating the Showgrounds is to be considered in conjunction with the question of additional hutted accommodation. The arrangements made with Societies in other States are also to be submitted for information.

(451) POWER ALCOHOL COMMITTEE.

The Minister for Supply stated his intention to submit to Cabinet next week the names of the personnel and the terms of reference of a committee on power alcohol. It was decided to announce forthwith the intention to appoint the committee.

Secretary.

PRIME MINISTER.

MARGERY BOND

RECORD OF DECISIONS OF FULL CABINET.BRISBANE, 2nd AUGUST, 1940.(F.C.25) OBSERVATION OF HOLIDAYS DURING WARTIME.

On 18th July, 1940, Full Cabinet gave consideration to the question of the observance of holidays during wartime, and it was decided that the question should be referred to the Industrial Panel for consideration and report.

The question was also referred to the Director-General of Munitions by the Prime Minister for his views on the question generally, in view of its relation to munitions and other war industries and the broader aspects of business and industry and employment as a whole.

The Director of Labour Supply suggested that the public holiday system should be retained during the war period but that all mid-week holidays be altered to Saturdays or Mondays to preserve the continuity of operations during the working week.

The question was referred to the Trades Union Advisory Panel, which reported that :-

"There are decided advantages in retaining the public holiday system as it provides a very necessary break in the monotony and rigidity of industrial life."

The Industrial Panel also concurred in the suggestion of the Director of Labour Supply above referred to.

The report of the Trades Union Advisory Panel was considered by Full Cabinet on 2nd August, when it was decided that the public holiday system should be retained during the war period and that all mid-week holidays be altered to Mondays to preserve the continuity of industrial operations during the working week.

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MINUTES

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WAR CABINET MEETING.MELBOURNE, 16th AUGUST, 1940.FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Senator the Hon. P.A.M. McBride, Minister for the Army and Minister for Repatriation.
 The Hon. A.W. Fadden, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

(452) AGENDUM No. 175/1940 - DARWIN LINES OF COMMUNICATION - ALICE SPRINGS-BIRDUM ROAD.

In regard to the Military Board recommendation :-

- (a) That the reconstruction of the Alice Springs-Birdum Road over a distance of 378 miles be approved as a matter of urgency, and that an amount of £150,000 be authorised for the purpose;
- (b) That authority be given to proceed with the work on the basis of the general supervision and direction, as well as administrative services, being undertaken by the Army, the equipment being hired and personnel obtained from road construction authorities or road contractors in South Australia, New South Wales, Queensland and Northern Territory;

the Deputy Chief of the General Staff explained that the cost was now estimated at £200,000, and the proposed method of execution had been varied to enable the road authorities of Queensland, New South Wales, Victoria and South Australia to undertake the construction of sections, or the supply of equipment and other requirements. The Commissioner of Main Roads in New South Wales would be in charge of the engineering side of the work.

The War Cabinet decided :-

- (i) To approve of the provision of £200,000 for this work;
- (ii) That the method of execution be a matter for mutual arrangement between the Director-General of Works and the Army authorities, the Minister for the Interior having raised the question of the relation of the Works Branch of his Department to the proposal, as the Commonwealth Works Authority.

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(453) AGENDUM No. 176/1940 - THE PROVISION OF MECHANICAL VEHICLES FOR TRAINING PURPOSES BY PURCHASE FROM THE PUBLIC.

Approval was given for the purchase of 1,000 secondhand mechanised vehicles for the Militia Forces, subject to an examination of the proposal by the Business Board, with a view to laying down the principles for the guidance of local purchasing committees. The constitution of the latter is also to be considered, the Treasurer being of the view that an accountant with experience of motor trade business and finance should be included.

The Business Board is to co-opt for consultation on this subject an expert authority from the motor trade.

(454) SUPPLEMENT No. 2 to AGENDUM No. 140/1940 - ADDITIONAL HUTTED ACCOMMODATION.

(Previous reference - War Cabinet Minute No. (444)).

The additional information furnished on the previous proposal for the expenditure of £840,000 for huted accommodation for 14,000 A.I.F. troops, was noted and it was observed that the Military Board's recommendation is now as follows :-

Huts	- 11,000 men - estimated cost	£660,000
Tents and Miscellaneous	- 12,000 men - estimated cost	<u>£180,000</u>
	Total estimated cost	<u>£840,000</u>

The Minister for Supply and Development having drawn attention to an option for the purchase of 1,000,000 yards of tent material from Japan at an approximate cost of £44,000, it was decided that the Master-General of the Ordnance and the Chairman of the Contracts Board should confer on the possibility of providing for the additional accommodation by means of tents. In any event, it was considered advisable to accept the offer of the material, and its purchase was approved.

Secretary.

PRIME MINISTER.

MINUTES

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WAR CABINET MEETING.CANBERRA, 22nd AUGUST, 1940.FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Senator the Hon. P.A.M. McBride, Minister for the Army and Minister for Repatriation.
 The Hon. A.W. Fadden, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

(455) SUPPLEMENT No. 1 to AGENDUM No. 176/1940 - PROVISION OF MECHANICAL TRANSPORT VEHICLES FOR THE A.I.F.

(Previous reference - War Cabinet Minute No. (453)).

War Cabinet approved, in view of the urgency of provision stressed by the Department of the Army in memorandum dated 21st August, of its decision contained in Minute No. (453) being varied in order to permit of the immediate purchase of new vehicles, consisting of 150 3-ton lorries and 32 15-cwt. vans, and of the number of secondhand vehicles to be purchased under the conditions outlined in Minute No. (453) being reduced from 1,000 to 818.

Secretary.

PRIME MINISTER.

MINUTES

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WAR CABINET MEETING.

CANBERRA, 23rd AUGUST, 1940.

FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Senator the Hon. P.A.M. McBride, Minister for the Army and Minister for Repatriation.
 The Hon. A.W. Fadden, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

(456) SUPPLEMENT NO. 2 to AGENDUM NO. 111/1940 - PROVISION OF CLOTHING, ETC. FOR THE SIX MONTHS' PERIOD 1ST JULY, 1940 TO 31ST DECEMBER, 1940 :

(Previous reference - War Cabinet Minute No. (322)).

War Cabinet considered the Military Board's proposals for the authorisation of expenditure amounting to £5,219,069 for clothing for the A.I.F. and A.M.F. In view of the queries raised regarding the provision for war wastage, decontamination reserve and other aspects, it was decided to approve of orders for 50% of the total requirements. The balance and the allocation to the various categories of requirements of the quantity authorised now or in the future, are subject to further consideration after a report by the Board of Business Administration.

The Department of the Army is to submit statements, showing in regard to uniform, kit, necessaries and clothing materials:-

- (a) The personnel to be clothed, together with brief particulars of basis of issues.
- (b) The requirements for A.I.F. and Home Defence Force under the following headings in each case:-
 - (i) Initial issues;
 - (ii) Pre-embarkation issues;
 - (iii) Replacements;
 - (iv) Working stocks;
 - (v) Reserves showing each class separately;
 - (vi) Stock on hand and "due in" in the case of all except minor items;
 - (vii) Balance required in each item, showing quantity, rate and cost.

A statement is also to be furnished to War Cabinet showing the issues actually made from the outbreak of war to the 31st August, 1940, both in number and value.

(457) ARMY ADMINISTRATION.

The Prime Minister outlined to War Cabinet a letter addressed by him on 22nd August to the Minister for the Army relative to a series of reports and recommendations dealing with matters associated with Army administration, which had come to his notice from the Board of Business Administration.

It was decided that the Minister for the Army should discuss the Prime Minister's letter with the Military Board and obtain its remarks thereon. The Minister for the Army is also to submit a recommendation for an appointment to the post of Chief of the General Staff, and to consider what changes in Army personnel may be necessary to improve the efficiency of the administration, in the light of the Prime Minister's letter and the War Cabinet discussion thereon.

Secretary.

PRIME MINISTER.

MILITARY BOARD

RECORD OF DECISIONS OF FULL CABINET.CANBERRA, 23rd AUGUST, 1940.

(F.C.26) ELIGIBILITY OF MEMBERS OF THE A.I.F. SERVING OUTSIDE THE COMMONWEALTH TO VOTE AT ANY GENERAL ELECTION OR REFERENDUM HELD DURING THE PRESENT WAR.

(Previous reference - War Cabinet Minute No. (225)).

In according approval of the proposals of the Chief Electoral Officer to enable members of the Forces serving overseas to record their votes at an election, Cabinet recorded the following endorsement :-

"No speeches to be transmitted, but lists of all candidates with Party designations (their own) displayed outside booths (overseas)."

INVICTA BOND

MINUTES

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WAR CABINET MEETING.MELBOURNE, 28th AUGUST, 1940.FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Senator the Hon. P.A.M. McBride, Minister for the Army and Minister for Repatriation.
 The Hon. A.W. Fadden, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

- (458) AGENDUM No. 178/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 29 - WEEK ENDED 3rd AUGUST, 1940).
AGENDUM No. 179/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 30 - WEEK ENDED 10th AUGUST, 1940).
AGENDUM No. 184/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 31 - WEEK ENDED 17th AUGUST, 1940).
AGENDUM No. 187/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 32 - WEEK ENDED 24th AUGUST, 1940).

(The following were present when the above Agenda were under discussion :-

Admiral Sir Ragnar Colvin, K.B.E., C.B., Chief of the Naval Staff;
 Major-General J. Northcott, M.V.O., Acting Chief of the General Staff;
 Air Commodore W.D. Bostock, D.S.O., Deputy Chief of the Air Staff).

(A) WEEKLY REPORTS BY THE CHIEF OF THE NAVAL STAFF.

The Naval reports were noted by War Cabinet, after the following subjects had been specially mentioned by the Chief of the Naval Staff or raised by War Cabinet :-

- No advice on Naval*
- (i) Naming of Patrol Vessels. The approval of His Majesty the King for the naming of the vessels building in Australia on Admiralty account, after towns in Australia. (Report No. 29, paragraph 7).
- (ii) French Merchant Vessel "Commissaire Ramel". The correspondence with the Consul-General for France regarding the adverse influence that had been exercised by him from the British point of view, amongst the crew of this vessel, which has been requisitioned by the Admiralty.
- (iii) Local Production of Mines. The Chief of the Naval Staff stated that it was anticipated that production would commence within two months.

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- (iv) H.M.A.S. "Hobart". The participation of this ship in the recent Somaliland operations.
- (v) Coal for Darwin. The danger of a recurrence of the previous industrial trouble relating to the payment of "dirt money", in view of the arrival of 3,500 tons of coal about the middle of September. This reference was noted by the Minister for the Interior, together with a request by the Chief of the Naval Staff that Service personnel should not handle the coal. (Report No. 32, paragraph 8).
- (vi) The Presence of a Raider in the Tasman Sea. In view of the publicity given to the attack on the "Turakina" by an enemy raider, the Prime Minister enquired why no statement had been made regarding the French merchant vessel "Notou", which sailed from Australia on 12th August and has been overdue at Noumea since 17th August.

The Chief of the Naval Staff stated that the Admiralty do not announce the names of vessels sunk, only the weekly tonnage. It is undesirable to announce early that the Naval authorities are aware of the operations of a raider, as the latter could then be certain that counter measures are in hand, and act accordingly.

In reply to an enquiry regarding the distribution of Australian cruisers, the Chief of the Naval Staff furnished the following information :-

H.M.A.S. "Australia"	-	In British waters.
H.M.A.S. "Canberra"	-	In dock in Sydney.
H.M.A.S. "Sydney"	-	At Alexandria.
H.M.A.S. "Hobart"	-	At Aden.
H.M.A.S. "Perth"	-	In Australian waters.

The Prime Minister, as Minister for Munitions, took note of the fact that Mr. Paul Vois, a director of the nickel interests in New Caledonia, was a passenger on the "Notou".

- (vii) Military Position in the Middle East. The Chief of the Naval Staff stated that the reinforcement of this area with troops and equipment is proceeding via the Cape.

(B) WEEKLY REPORTS BY THE CHIEF OF THE GENERAL STAFF (Nos.29 and 30) AND THE ACTING CHIEF OF THE GENERAL STAFF (Nos.31 and 32).

The Army reports were noted by War Cabinet, after the following subjects had been specially mentioned by the Acting Chief of the General Staff or raised by War Cabinet :-

- (i) Formation of a Supplementary Reserve, Citizen Forces. This reserve will include certain classes of tradesmen at present provided for in War Establishments of units whose services are not required continuously during camp training. These members will do twelve days' camp training and home training extending from three to six days, according to their rank. (Report No. 32, paragraph 2).
- (ii) Alice Springs-Birdum Road. It was stated that the advice of Mr. Smith, the engineer of the Department of the Interior in Central Australia, was being ignored in connection with the construction of this road. The Acting

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Chief of the General Staff understood that the advice of this officer had been fully availed of.

The Minister for the Interior stated that information received by him indicated that £200,000 would be inadequate to cover the cost of the road. He mentioned, in regard to the purchase of motor vehicles previously authorised by War Cabinet, that instead of 3-ton petrol trucks 12-ton Diesel trucks should be employed, as experience had proved their greater utility.

The Acting Chief of the General Staff stated that the cost of the charter of s.s. "Zealandia" for the transport of personnel and equipment to Darwin had been provided for in the estimate of cost. War Cabinet directed that an accurate record should be kept of the cost of this road. The Department of the Army is to submit a list of the nature and amount of the expenditure which is being charged to the estimate of £200,000 approved by War Cabinet, and a list of the nature of indirect expenditure associated with the construction of the road.

- N.P.
- (iii) Hospital Ship "Manunda". The Acting Chief of the General Staff stated that the despatch of this vessel to Darwin was in the nature of a trial run, as 45 patients had to be transported south from this centre. On a query raised by the Treasurer, it was noted that the ship had been fitted for a total of 322 patients and a medical staff of 80
- N.P.
- (iv) Foreigners on Wool Appraisalment Work. An examination is proceeding with the object of eliminating any suspected persons from this occupation. (Report No. 31, paragraph 5).
- N.P.
- (v) Meningitis. In view of the incidence of cerebro-spinal meningitis showing a general increase throughout Australia, the Acting Chief of the General Staff stated that instructions had been issued for the reduction of the numbers of soldiers in huts and tents. (Report No. 32, paragraph 4).
- N.P.
- (vi) Dismissal of Women from Censorship Staff, Sydney. The Acting Chief of the General Staff, in reply to an enquiry on this matter which was raised during the recent session of Parliament, stated that the services of all women in the Sydney censorship office had been dispensed with. The Minister for the Navy stated that, from information received by him, it appeared that letters of members of the Forces were the subject of discussion between the women censors at morning and afternoon tea time.
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- (vii) Wodonga Camp. The Minister for External Affairs understood that a capital expenditure of £250,000 was being incurred on land for which the freehold had not yet been obtained but for which the owner had been informed a rental of £300 per annum would be paid in the meantime. The Acting Chief of the General Staff stated that the advice regarding the payment of rent was no doubt an interim measure until the completion of the formalities necessary for the acquisition of the land.

The Prime Minister drew attention to the Cabinet decision that capital expenditure on building construction was to be incurred on freehold land only. The Business Board had also pointed out the possibility that, owing to the lack of proper arrangements in the first place, the Government might be faced with claims for compensation, the merits of which would be difficult to determine.

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(C) WEEKLY REPORTS BY THE CHIEF OF THE AIR STAFF.

The Air reports were noted by War Cabinet, after the following subjects had been specially mentioned by the Deputy Chief of the Air Staff or raised by War Cabinet :-

- N.A.
- (i) Flying Boats. The Chief of the Naval Staff and the Deputy Chief of the Air Staff explained the location of the Empire flying boats based on Port Moresby and the plan of operations for the interception of raiding ships. It was stated that the trans-Tasman flying boat only was available in New Zealand, and that she had made a search for the vessel which had attacked the "Turakina". The Empire flying boats in the R.A.A.F. would be replaced by the P.B.Y. flying boats, the first of which were due to arrive in November.
- N.A.
- (ii) Lockheed Hudson Aircraft. The Deputy Chief of the Air Staff stated that three of these aircraft had been written off and three were under repair.
- N.A.
- (iii) Bellman Hangars. The Minister for Supply and Development recalled a complaint some months ago by a rival firm that Waddington's would be unable to complete the erection of hangars for the price at which the tender had been accepted. He now desired to bring to notice that the rival firm had recently submitted a tender quoting a price £400 less than its first tender and approximating the price of Waddington's. (Previous Minutes - Nos. (299)(vi) and (397)(i)).
- N.A.
- (iv) Instructors for Crews of Lockheed Hudson Aircraft. The Deputy Chief of the Air Staff stated that the instruction of pilots for the flying of Lockheed Hudson aircraft was in the hands of civil instructors, who were fully experienced in flying this type of aircraft.
- air
min for Interior
- (v) Lockheed Hudson Aircraft lost near Brisbane. With regard to the Lockheed Hudson aircraft recently lost near Brisbane during a reconnaissance over the sea, the Minister for the Interior stated that he had received a report that the aircraft did not carry a rubber boat. The Deputy Chief of the Air Staff stated that the instructions provided for the equipment of these aircraft with Anson boats, as Hudson boats were not yet available. He would see that the matter was brought out at the court of enquiry, and would advise the Minister further.

(459) AGENDUM No. 186/1940 - STRATEGICAL APPRECIATION IN RELATION TO EMPIRE CO-OPERATION AND LOCAL DEFENCE - EMPLOYMENT OF AUSTRALIAN FORCES IN MALAYA.

(Previous reference - War Cabinet Minute No. (398)).

(The Chief of the Naval Staff, the Acting Chief of the General Staff and the Deputy Chief of the Air Staff were present for the discussion of this Agendum).

War Cabinet considered cablegrams Nos. 262, 263, 267 and Z.214 from the Dominions Office and the report by the Australian Chiefs of Staff on the appreciation of the Far Eastern position furnished by the United Kingdom Chiefs of Staff.

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The following decisions or observations were recorded :-

- (1) General. The following assurance by the Prime Minister of Great Britain in cablegram No. 262 of 12th August, regarding the Naval dispositions which would be made to provide for our security against invasion, was noted :-

"If, however, contrary to prudence and self interest, Japan set about invading Australia or New Zealand on a large scale, I have explicit authority of Cabinet to assure you that we should then cut our losses in the Mediterranean and proceed to your aid, sacrificing every interest except only the defence position of this island on which all depends."

- (ii) Army. With reference to paragraph 7 of cablegram No. 263, in which the United Kingdom Government renewed its request for the despatch of an Australian division to Malaya, a reply is to be furnished that the Commonwealth Government desires to assure the United Kingdom Government of its willingness to co-operate with the despatch of the 7th Division to the theatre in which it can render the most effective support. It is realised that considerations of training and equipment preclude its despatch to the Middle East at present, although the intention ultimately to concentrate the Australian Army Corps in this region has been noted. War Cabinet would prefer that the 7th Division should go to India to complete its training and equipment, and to relieve for service in Malaya troops who are better equipped and more acclimatized. This view is supported by the Australian Service advisers, and the War Cabinet is of the opinion that the considerations of wider scope for training and greater occupation of interest, difference in climate, and a less circumscribed role than that of garrison duties at Singapore would be more compatible with the psychology of the Australian soldier.

It is realised, however, that there are other aspects of these considerations, of which transport and movement of two divisions are not the least. Therefore, should the United Kingdom Government still desire that the 7th Division should proceed to Malaya after carefully weighing the views to which the War Cabinet attaches great importance, the latter is quite agreeable to this course.

The observations of the Chiefs of Staff on the standard of training, degree of equipment of the 7th Divisions and the dates on which it could be embarked, together with the provision of the necessary shipping accommodation and escort for convoys, are also to be communicated to the United Kingdom Government.

The following observations of the Chiefs of Staff were noted and approved :-

"This force can be equipped from local resources on a modified scale, and this will entail the despatch of items of equipment such as field artillery and light machine guns. These cannot be replaced from local manufacture before March, 1941. It is considered that, in existing circumstances, the despatch of such equipment can be justified."

6.

The remarks in paragraph 3 of cablegram 267 regarding the importance of concealing the destination of the troops were noted and fully endorsed. The United Kingdom Government is to be asked for its further suggestions as to the manner in which concealment might be secured.

- (iii) Navy. The following observations of the Chiefs of Staff were noted and approved :-

"The Australian Naval contribution to the defence of Malaya and the Singapore Naval Base is limited by present dispositions. The United Kingdom Government has not suggested any Naval concentration at Singapore in present circumstances. The forces remaining in Australian waters are the minimum required for trade protection against possible German-Italian merchant raiders. Therefore, until there is a reposition as envisaged in paragraph 2 of cablegram No. 262, no further direct Australian Naval support can be offered."

- (iv) Air. The following observations of the Chiefs of Staff were noted and approved :-

"The R.A.A.F. has already despatched to Singapore two general reconnaissance landplane squadrons (24 aircraft) and one light bomber squadron (12 aircraft); each squadron plus 50 per cent. reserve aircraft. In addition, one general reconnaissance (flying boat) squadron is in England and one Army co-operation squadron, less aircraft and ancillary equipment, has been sent to the Middle East.

"Having regard to the Empire Air Training Scheme commitment in Australia and the unsuccessful efforts which have been made to date to obtain Service types of aircraft from the United Kingdom and America, it is extremely undesirable to reduce the number of Service squadrons in Australia below that at present established, which are barely sufficient to meet training requirements for the maintenance of personnel in the five squadrons overseas and Australian air defence requirements.

"It could be anticipated, however, that in the event of conditions arising under which co-operation with the Dutch in Netherlands East Indies became necessary, two general reconnaissance (landplane) squadrons could be based at Darwin and operate in the Islands, using Dutch aerodromes if necessary as advanced bases. The use of Dutch landing grounds would, of course, be practicable only after Staff conversations with the Dutch authorities."

- (v) Netherlands East Indies. With reference to assumption 3 in paragraph 2 of cablegram No. 263, that we should go to war with Japan if she attacks the Netherlands East Indies, and provided the Dutch resisted, it is realised that should Japan become established in these Islands, this would be a considerable step towards neutralising Singapore as a naval base, as it would become vulnerable to heavy-scale attack by land-based aircraft. The United Kingdom Government is to be informed that the Commonwealth Government is fully conscious of the effect of the occupation of the Islands on the strategic position of Australia, and feels that almost inevitably, should such a move eventuate, we would find ourselves at war with Japan.

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Nevertheless, because of the military position in the United Kingdom and the Middle East and the attitude of the U.S.A., it is the opinion of War Cabinet that we should not enter into a binding unilateral obligation to go to the assistance of the Dutch if Japan attacks the Netherlands East Indies. It is considered that the Empire's policy should be to take a realistic view of such an act of aggression in the light of our military position at the time. It is to be suggested that, if the United Kingdom Government concurs in this course, the views of the Empire should be put to the United States Government with a suggestion for the adoption of a similar realistic attitude in the event of the contingency arising.

(460) AGENDUM No. 192/1940 - HIGHER ARMY ADMINISTRATION.

(Previous reference - War Cabinet Minute No. (457)).

The following were the decisions of War Cabinet on this subject :-

- (i) Appointment of the Chief of the General Staff. Following a discussion, a decision was deferred until the Prime Minister had had an opportunity of consulting General Sir Harry Chauvel regarding the panel of the names of officers under consideration.
- (ii) Military Board Organisation and Administration. Consideration was deferred until receipt of the Military Board's observations on the Prime Minister's letter of 22nd August to the Minister for the Army.
- (iii) Retirement of Officers. It was noted by War Cabinet that the late Inspector-General had recommended that the following officers should be retired, subject to adequate provision being made for retirement benefits :-

Major-General Sir Carl Jess		
" O.F. Phillips		
" J.L. Hardie		
" J.L. Whitham		
Brigadier A.M. Martyn		
" E.M. Williams		
Lieut.-Colonel G.F.G. Wieck)	
" J.C. Ridley	)	Subject to their not
" A.R.W. Buttner	)	being selected for
" N.G.M. Browne	)	promotion to higher
" R.T.A. MacDonald	)	rank.
Major P.H. Dodgson)	

It was understood that the financial conditions of retirement were the subject of discussion with the Treasury, but on the outbreak of war the late Minister and the Army authorities did not proceed with their original intention. Major-General Phillips and Brigadier Williams are now on furlough pending transfer to the half-pay list for twelve months and ultimate retirement. Brigadier Martyn is on furlough prior to retirement. Lieut.-Colonel Wieck has been retired medically unfit.

It was decided that :-

- (a) The remainder of the officers in the above list are

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to be retired where furlough, or furlough plus a period of half pay under Section 23 of the Defence Act, will bring the officer to age 60 and ensure the payment of the full pension.

- (b) In regard to the remainder of the officers after action under (a), the Military Board is to report, in view of the action taken in the case of Brigadier Williams, whether there are any other cases in which similar steps should be taken.
- (c) In view of the large number of positions filled by calling up militia officers and permanent officers who have been retired, the Military Board is to report whether the officers remaining after action under (a) and (b) are at least of equal value to militia or retired officers, and should be allowed to remain in the Service until the conditions under (a) could be applied or until they reach the retiring age of their rank.
- (d) (1) If an officer in the above list has been or is retired, he is not to be called up for duty under present conditions.
- (2) The Military Board is to furnish a list of officers who have passed the retiring age and are at present re-employed, their ages and the posts held by them, together with a recommendation in each case as to the possibility of their replacement by younger officers and the special reasons for the retention of retired officers, if such is desired.
- (iv) British Officer for Army Training. The High Commissioner is to be asked to obtain from the United Kingdom Government the loan of the services of a suitable British Army officer with first-hand experience of recent fighting on the Continent for appointment to the General Staff. The question of his employment as Director of Military Training or in a special position on the General Staff is to be discussed by the Minister for the Army with the new Chief of the General Staff, together with the question of whether any additional officers are required. War Cabinet noted that as soon as the A.I.F. gains experience in a theatre of war, exchanges can be made between the forces at home and abroad.

(461) SUPPLEMENT No. 3 to AGENDUM No. 157/1940 - ACCOMMODATION FOR INTERNEES FROM ABROAD AND LOCAL INTERNEES.

(Previous reference - War Cabinet Minute No. (445)).

(The Acting Chief of the General Staff and the Quartermaster-General were present for the discussion of this Agendum).

After a discussion of this Agendum, further consideration was deferred.

MINUTES

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WAR CABINET MEETING.

MELBOURNE, 29th AUGUST, 1940.

FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 The Rt. Hon. W.M. Hughes, K.C., M.P., Attorney-General.
 Senator the Hon. P.A.M. McBride, Minister for the Army and Minister for Repatriation.
 The Hon. A.W. Fadden, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.
 Senator the Hon. H.S. Foll, Minister for the Interior.

(462) AGENDUM No. 192/1940 - HIGHER ARMY ADMINISTRATION.

(Previous reference - War Cabinet Minutes Nos. (460) and (412)).

The Prime Minister reported that, following the discussion on the previous day, he had consulted General Sir Harry Chauvel regarding the names of the officers on the panel for selection for the post of Chief of the General Staff. The Prime Minister stated that Sir Harry Chauvel considered that Major-General Sturdee was the most suitable officer for this appointment.

It was decided to appoint Major-General V.A.H. Sturdee as Chief of the General Staff, with the rank of Lieut.-General.

The question previously raised in Minute No. (412) relative to the appointment of a Commander-in-Chief for Home Defence and the command and training of the Militia Forces, was again discussed. It was considered desirable to designate in peace the G.O.C. in C. for the Field Forces and/or his Chief of Staff. Under present circumstances, with certain senior officers abroad with the A.I.F., it was the view that the present position might be met by strengthening the General Staff to ensure the highest degree of preparedness through the completeness of plans and organisation and by adequate inspection to ensure the efficiency of the Australian Military Forces. This could probably be best effected by the appointment of a second Deputy Chief of the General Staff to enable one of them to concentrate on these matters.

Army

It was emphasized that this work must be under the direction of the Military Board, which, as provided in the Council of Defence decision of 13th July, 1938, continues to function as a Board in the event of a mobilization, with the Chief of the General Staff exercising control of operations.

The Minister for the Army is to discuss with the Chief of the General Staff the proposal in the third paragraph and submit a report thereon.

(463) AGENDUM No. 188/1940 - NATIONAL SECURITY (WAR SERVICE MORATORIUM) REGULATIONS.

(Previous reference - War Cabinet Minute No. (446)).

War Cabinet appointed the following sub-committee to examine the draft National Security (War Service Moratorium) Regulations, and authorised it to act in regard to any decisions reached :-

N.A.

- The Attorney-General;
- The Treasurer;
- The Minister for Air.

(464) SUPPLEMENT No. 4 to AGENDUM No. 157/1940 - INTERNMENT OF ENEMY WOMEN.

(Previous reference - War Cabinet Minute No. (431)).

In view of the danger of enemy agents amongst enemy women, a report was called for in War Cabinet Minute No. (431) on the reasons for non-internment of women, whether those released have left Australia, and the precautions taken in regard to the activities of those remaining.

Interim Army

The report by the Department of the Army was noted, but War Cabinet was not in full agreement with the final sentence of the undermentioned paragraph. Approval was given to the internment of women in appropriate cases.

"No women have yet been interned or re-interned since seven were released in February. It is known, however, that a limited number will be detained. It is not anticipated that large numbers will be affected, as women are not generally so involved in organising activities inimical to the Empire as men of enemy nationality."

(465) AGENDUM No. 183/1940 - NUCLEUS OF LINE OF COMMUNICATION ORGANISATION FOR MOBILISATION.

(Major-General E.K. Smart, D.S.O., M.C., Quartermaster-General, was present for the discussion of this Agendum).

Army Treasury B.P.P.

In regard to the Military Board recommendation that £181,000 be authorised for the construction of a nucleus of certain depots, workshops and camps required for the line of communication organisation, War Cabinet desired further information on this proposal.

In regard to the capacity of the depot buildings and the use to which they are to be put, the Department of the Army is to indicate the capacity of the accommodation contemplated in this proposal, its relation "as a nucleus" to the full capacity of the accommodation required in an emergency, and the proportion of the nucleus storage capacity that will be stocked and used now under the scheme proposed.

War Cabinet noted that the expenditure related to construction of buildings only, and desires information of the total

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cost of the nucleus plans, including the equipment of depots, workshops and camps, the cost of the commodities to be stored, and staff to be provided for caretaking and security purposes.

It was also noted that the expenditure of £181,000 can be found within the unallotted balance of projects in the War Programme and Works Services. War Cabinet viewed with some concern the existence of such a large unhypothecated figure, for which, presumably, authority was obtained for other purposes. In the submission of programmes of expenditure the margins, if any, provided for are to be clearly indicated and control of such amounts is to be rigidly exercised through the project accounting system, in accordance with the instructions laid down by War Cabinet in Minute No. (79).

(466) SUPPLEMENTS Nos. 5 and 6 to AGENDUM No. 2/1940 -
PROVISION OF MECHANICAL TRANSPORT VEHICLES FOR THE A.I.F.

(Previous reference - War Cabinet Minute No. (389)).

(Major-General T.R. Williams, C.M.G., D.S.O., Master-General of the Ordnance, was present for the discussion of these Agenda).

In regard to the Military Board recommendation that £1,711,000 be provided for 3,449 additional vehicles to complete the initial equipment of the 6th, 7th and 8th Divisions and Corps Troops, and to provide war wastage for this force up to the end of 1941, War Cabinet approved of the recommendation, subject to the following qualifications and exceptions :-

- (i) The vehicles indicated as war wastage are to be ordered, but they are to be held as a pool and no allotment is to be made therefrom for war wastage or other purposes without the authority of War Cabinet. This reservation is based on the fact that the provision of the rate of war wastage at this stage is entirely an estimate and is dependent on the extent and nature of the warfare in which the A.I.F. may be engaged. The Military Board is to submit more definite data on this at a later appropriate stage.
- (ii) The War Cabinet views with the gravest concern the report of the Board of Business Administration on the action of the Director of Mechanisation in ordering Royal Enfield motor-cycles directly from Westhazell Motor Cycles Ltd., without following the regular procedure. The War Cabinet does not approve of the purchase of motor-cycles as proposed, and is of the opinion that the irregular negotiations do not constitute a contract between the Commonwealth and the Company.

The further action recommended by the Board of Business Administration is approved, including the special investigation of the whole matter. In view of the powers vested in the Business Board under the National Security (Board of Business Administration) Regulations, the person or persons to conduct the inquiry should be nominated by the Board. Failing the satisfactory explanation of circumstances additional to those in the information already submitted to War Cabinet, it is the latter's direction to the Military Board that the appointment of the Director of Mechanisation should be terminated.

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- (iii) In view of the cablegrams recently exchanged with the High Commissioner regarding differential prices for indents through the High Commissioner as compared with orders placed with local agents, a cablegram is to be despatched to the High Commissioner enquiring the price of these motor-cycles, as supplied to the War Office.

(467) AGENDUM No. 190/1940 - WAR EXPANSION OF PERSONNEL - ADDITIONAL ACCOMMODATION.

(Previous reference - War Cabinet Minute No. (285)).

The following new factors involving the provision of further additional Naval personnel were submitted by the Minister for the Navy :-

- (a) Admiralty have advised that the new destroyers to be manned are of the largest "N" type, involving 400 extra men instead of only 100 as previously estimated for the "I" class.
- (b) Indications are that Australia will be asked by Admiralty in the near future to provide many more trained men for service overseas, particularly for additional destroyers and patrol vessels.
- (c) A further expansion of our own requirements for the manning of additional anti-submarine and minesweeping vessels for the R.A.N., vide Minute No. (470).

As further accommodation at Flinders Naval Depot was necessary to enable the recruiting and training of the additional personnel to be completed by due dates, approval was given to the following list of works to be proceeded with :-

<u>Flinders -</u>	£.
(a) Temporary accommodation for 300 men	... 12,500
(b) Accommodation for 50 officers	... 6,000
(c) 16 classrooms	... 6,700
(d) Additional hospital accommodation	... 11,700
(e) Extend engineers' workshop	... 1,500
(f) Enlarge sewerage system	... 10,000
	<u>£48,400</u>

The proposal for a sum of £150,000 to be made available both for authorisation and expenditure purposes, in order that works may be proceeded with immediately the necessity arises, was not approved.

(468) AGENDUM No. 182/1940 - PROVISION OF ADDITIONAL RESERVES OF AVIATION SPIRIT.

War Cabinet approved of the purchase by the Department of Air of 3,000,000 gallons of aviation spirit at an estimated cost of £137,500 further to increase the war reserves of such spirit in Australia, and referred the proposal to erect three 1,200,000-gallon storage tanks at inland centres (to be selected) at an estimated cost

Treasury
Navy
R.A.N.

Air
Supply
Department

of £36,000 to the Commonwealth Oil Board for investigation and report.

War Cabinet took note of the quantities of aviation spirit that will be held by oil companies either on their own behalf or on behalf of the Commonwealth under existing agreements, and also of the quantities of aviation spirit that would be required by the Air Force to provide for :-

- (i) Six months' war reserve for operational units based on the requirements for the maximum scale of attack and a Home Defence force of 32 squadrons.
- (ii) Six months' training requirements for Home Defence training units.
- (iii) Six months' training requirements for Empire Air Training units.

(469) SUPPLEMENT No. 2 to AGENDUM No. 38/1939 - PAY OF FORCES ABROAD - INCIDENCE OF EXCHANGE.

(Previous reference - War Cabinet Minute No. (114)).

War Cabinet noted the objections raised by the Department of the Navy to the application to R.A.N. personnel serving overseas, of the rule adopted for the A.I.F. and R.A.A.F., entitling members to draw abroad in sterling two-fifths of their pay, exclusive of deferred pay, the Commonwealth bearing the cost of exchange.

*Navy
Treasury*

It was observed that the present conditions governing payments to the R.A.N. abroad provide a more liberal exchange allowance than the A.I.F. and R.A.A.F. and, in addition, entitle single ratings to exchange on a greater proportion of their pay than married ratings, in view of the latter's allotments in Australia. It was also understood that officers may draw abroad the whole of their pay.

The matter was referred to the Treasury Committee for report and it is to consider whether a solution may be arrived at by requiring members of the R.A.N. to make an allotment in Australia, by restricting drawing rates in sterling abroad, or by a combination of both courses.

(470) SUPPLEMENT No. 3 to AGENDUM No. 82/1940 - CONSTRUCTION AND REQUISITIONING OF SMALL ANTI-SUBMARINE AND MINE-SWEEPING VESSELS FOR THE R.A.N.

(Previous reference - War Cabinet Minute No. (326)).

It was noted that the numbers of vessels for anti-submarine duties and minesweeping already authorised for construction or for requisition from the coastal trade, together with the additional vessels now proposed for R.A.N. requirements, are :-

*Navy
Treasury
R.A.N.
for domestic escort
re requisitioning*

6.

	For Con- struction	Requisition from the coastal trade	Total
<u>(a) Vessels already authorised -</u>			
(i) Original Australian requirements (14 anti-submarine duties and 20 minesweepers) ...	7	27	34
(ii) Admiralty requirements..	20	-	20
(iii) Indian requirements ...	4	-	4
	31	27	58
<u>(b) Vessels submitted for approval -</u>			
Additional Australian requirements (13 anti-submarine duties and 12 minesweepers)	17	8	25
Total ...	48	35	83

The following aspects relative to the additional Australian requirements in paragraph 1(b) were noted :-

- (i) That the 34 vessels already authorised for the R.A.N., plus the additional 25 now required, would provide the minimum number of vessels which the Naval Board consider essential in the light of the present position in Europe, and as an assurance against the possibility of Japanese intervention.
- (ii) That the 17 additional vessels recommended for construction would set free ships already taken up from commerce and shipping, providing the war situation does not deteriorate.
- (iii) That the Australian design "Corvette" is reasonably satisfactory for either anti-submarine vessels or minesweepers and can be obtained earlier than ideal types for each class of ship. The cost of construction of the "Corvette" type is £187,500 each, involving an increase of £7,500 on the cost previously envisaged for the seven vessels already authorised, the additional expenditure being due to the Admiralty's decision to increase the armament for this type of vessel.
- (iv) That it is considered the completion of the construction programme by the end of 1941 will entail the fullest use of all Australian shipbuilding resources.

The following recommendations by the Minister for the Navy were approved :-

- (i) The construction locally of seventeen additional vessels of the "Corvette" type (thirteen for anti-submarine duties and four for minesweeping purposes).
- (ii) The requisitioning of eight additional vessels from the coastal trade for minesweeping purposes.

The estimated cost of the above proposals is as follows :-

(i) <u>Construction</u> -	£.
(a) <u>Capital Expenditure</u> -	
Additional cost of armament of vessels already authorised - 7 @ £7,500 ...	52,500
17 additional vessels @ £187,500 ...	<u>3,187,500</u>
Total ...	<u>3,240,000</u>
(b) <u>Maintenance Expenditure</u> -	
17 additional vessels @ £33,400 per annum (including personnel) ...	567,800
(ii) <u>Requisitioning</u> -	
8 additional minesweeping vessels -	
(a) Fitting out ...	44,000
(b) Chartering and maintenance ...	49,600
(c) Personnel ...	56,000

War Cabinet stressed the importance of use being made of the resources at Walsh Island, as the non-use of this yard figured so largely in the public mind as to discount to a considerable degree the claim that the fullest use is being made of all shipbuilding resources. It was noted that the Premier of New South Wales has been advised that the Commonwealth is prepared to place an order for patrol vessels immediately on the rehabilitation of the works as a going shipbuilding concern.

(471) SUPPLEMENTS Nos. 2 and 3 to AGENDUM No. 157/1940 - ACCOMMODATION FOR INTERNEES FROM ABROAD AND LOCAL INTERNEES.

(Previous reference - War Cabinet Minute No. (461)).

(Major-General E.K. Smart, D.S.O., M.C., Quartermaster-General, was present for the discussion of these Agenda).

Approval was given to the provision of the following additional internment camp accommodation :-

<u>For oversea internees</u> -	£.
One camp for 500 internees at Loveday, S.A., to be extended later if necessary ...	37,000
Accommodation for ten female warders for each of the two camps for females already approved in the Rushworth area, Victoria ...	<u>2,000</u> 39,000
It is not now proposed to proceed with the camp for officers at Rushworth, for which approval was given ...	<u>10,000</u> <u>29,000</u>

8.

<u>For local internees -</u>	£.
One camp for 1,000 internees at Hay, N.S.W. ...	50,000
One camp for 1,000 internees at Harvey, W.A. ..	<u>50,000</u>
	<u>100,000</u>
 <u>Administrative services -</u>	
One camp for twelve officers, 157 other ranks, at Hay, N.S.W. ...	21,000
One camp for thirteen officers, 150 other ranks and ten nurses, at Rushworth, Victoria ...	<u>20,000</u>
	<u>41,000</u>
Total	... <u>£170,000</u>

In a memorandum received from the United Kingdom Government it was noted that the Austrian and German internees being sent to Australia were, on the outbreak of war, divided into three categories :-

Category A - Those ordered to be interned.

Category B - Those exempted from internment, but not from the special restrictions applicable to enemy aliens. These restrictions curtail freedom of movement and prohibit the possession of certain articles such as motor cars, cameras, telescopes, etc.

Category C - Those exempted both from internment and from the special restrictions.

The United Kingdom Government suggests that steps be taken to segregate in different internment camps category A internees from categories B and C, and also, if possible, to intern Italians separately. The memorandum goes on to say, "It is hoped that the Australian Government will consider whether it would not be possible, while keeping potentially dangerous enemy aliens under strict custody, to apply a system of less rigid custodial treatment to genuine refugees from Nazi oppression and those not falling within the potentially dangerous class." The Department of the Army is to submit a report of the effect on the approvals given for accommodation for overseas internees of the proposal from the United Kingdom Government for the segregation of these internees.

In regard to the recommendation for the provision of the following hospital accommodation :-

	£.
One hospital of 60 beds and a ward of twelve beds for infectious diseases, at Hay, N.S.W. ...	26,500
One hospital of 60 beds, one infectious ward of twenty beds, and one maternity and children's ward of 30 beds at Rushworth, Victoria ...	42,500
One hospital of 30 beds at Loveday, S.A. ...	19,500
One hospital of 30 beds at Harvey, W.A. ...	<u>19,500</u>
	<u>£108,000</u>

War Cabinet decided that the provision of hospital accommodation is to be explored in the following order of priority :-

- (i) The possibility of treatment of patients at civil hospitals in districts where internment camps are located.
- (ii) The provision of annexes in the form of pavilions at civil hospitals in the districts where internment camps are located. Should these pavilions not be required for repatriation purposes at the conclusion of the war, the intention is that they should be transferred to the Committees of Management of the hospitals concerned for civil uses.
- (iii) The erection of hospitals on the most economical basis at internment camps.

The provision of hospital accommodation is to be investigated by a committee constituted as follows :-

- A representative of the Department of the Army;
- A representative of the Charities or Hospital Boards in the States concerned;
- The Inspector-General of Administration.

War Cabinet directed that the Military Board should submit an explanation of what appeared to be the following unauthorised commitments :-

- (i) Press reports have indicated that some or all of the internment camps under consideration are either being erected or have been completed. The Quartermaster-General offered the verbal explanation that the Business Board on 16th July (Minute No. 890) had informed the D.G.E.S. (Army), in regard to a proposal being submitted by the Department of the Army for the construction of seven additional internment camps, that action could proceed pending submission of proposals, and that the Treasury representative had concurred in this action. It was pointed out by the Treasurer that the business Board's minute related to seven camps which had been approved by War Cabinet on 23rd July (Minute No. (431)) for accommodation for internees from Great Britain and Malaya, and that in any event the Business Board and Treasury representative could not anticipate the provision of funds without the approval of War Cabinet or the Treasurer.

The report of the Military Board is to show the list of camps commenced without authority and the name of the officer responsible for authorising their construction.

- (ii) The authorisation of £16,500 on the improvement of the internment camp at the Orange Showgrounds, particularly in view of the fact that this camp is to be evacuated by internees. The name of the officer responsible for authorising this commitment is also to be furnished.

It was noted by War Cabinet that the financial commitment of £278,000 for which authority is sought is apportioned between the United Kingdom and Australian Governments as follows :-

(a) <u>United Kingdom Government</u> -	£.	£.
Additional accommodation ...	29,000	
Proportion of administrative services	29,000	
Proportion of hospital accommodation	<u>69,500</u>	127,500

(b) Australian Government -

	£.	£.
Additional accommodation ...	100,000	
Proportion of administrative services	12,000	
Proportion of hospital accommodation	<u>38,500</u>	<u>150,500</u>
		<u>£278,000</u>

In view of the large amount of the expenditure that will be chargeable against the United Kingdom and Straits Settlements Governments under the principles laid down in the cablegrams of 25th July and the reply of the Governor of the Straits Settlements that "reasonable expenditure will be accepted by the Malayan Government", it was directed that immediate cabled advices should be forwarded to the Governments concerned of the estimated capital expenditure that will be recoverable from them under this approval and Minute No. (431) of 23rd July.

(472) SUPPLEMENTS Nos. 1, 2 and 3 to AGENDUM No. 140/1940 - ADDITIONAL HUTTED ACCOMMODATION.

(Previous reference - War Cabinet Minute No. (454)).

War Cabinet noted that, although the recommendation for the expenditure of £840,000 for the provision of additional huted accommodation for 14,000 troops, was considered by War Cabinet on 2nd August and deferred to enable further information to be submitted, a comprehensive statement along the lines required had not yet been received. It was also noted that there had been a variation in the original proposal for huted accommodation to one for the provision of huts, tents and miscellaneous, the original estimated cost remaining the same.

War Cabinet decided that this matter should be disposed of as follows :-

- (i) The Military Board is to determine the most satisfactory spread of the Militia training programme in relation to present and prospective accommodation, including tents and the accommodation that will become available through A.I.F. embarkations.
- (ii) The Military Board is to submit to the Board of Business Administration the comprehensive statement originally requested by War Cabinet.
- (iii) Approval is given for the purchase of a further 2,000,000 yards of material for tents.
- (iv) The Business Board, after consulting representatives of the Army and the Department of Supply and Development, the latter being able to advise on the prospective delivery of tents, is to furnish advice on the additional huted accommodation that should be provided in the light of the foregoing.
- (v) The recommendations of the Business Board are to be submitted for the approval of the Minister for Defence Co-ordination and the Minister for the Army, advice of the commitment approved being furnished to the Treasury for information.

11.

War Cabinet noted that in the "Herald" of 26th August a statement was published regarding hitted accommodation, which quoted a figure for the programme which approximates the amounts authorised to date, plus the sum of £660,000 now before War Cabinet. A report is desired from the Military Board as to whether the authorisation of additional accommodation has been approved without War Cabinet authority.

Secretary.

PRIME MINISTER.

IMPLICITLY BOUND

MINUTES

o f

WAR CABINET MEETING.MELBOURNE, 3rd SEPTEMBER, 1940.FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 Senator the Hon. P.A.M. McBride, Minister for the Army and Minister for Repatriation.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development. (not present after the discussion on Minute No. (480)).
 The Hon. J. McEwen, M.P., Minister for External Affairs (not present after the discussion on Minute No. (480)).
 The Hon. P.C. Spender, K.C., M.P., Treasurer.

(475) AGENDUM No. 195/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 33 - WEEK ENDED 31st AUGUST, 1940).

(The following were present when this Agendum was under discussion :-

Admiral Sir Ragnar Colvin, K.B.E., C.B., Chief of the Naval Staff.
 Air Chief Marshal Sir Charles Burnett, K.C.B., C.B.E., D.S.O., Chief of the Air Staff.
 Major-General J. Northcott, M.V.O., Acting Chief of the General Staff).

(A) WEEKLY REPORT BY THE CHIEF OF THE NAVAL STAFF.

The Naval report was noted by War Cabinet, after the following subjects had been specially mentioned by the Chief of the Naval Staff or raised by War Cabinet :-

- Navy*
- (i) Loss of French Ship "Notou". With further reference to War Cabinet Minute No. (458)(A)(vi) on this subject, the Chief of the Naval Staff stated, in reply to a query, that there is no objection to an announcement now being made about this vessel.
- Navy*
B.P.P.
- (ii) Patrol Vessels under Construction. The importance was urged of publishing some details which would convey to the public a general impression of the type of ship under construction, as there is considerable indefiniteness in the public mind as to what is meant by the construction of "a large number of small ships," and consequently the extent of the Government's shipbuilding effort.
- Navy*
Mem.
30
- (iii) Exchange Incidence on Naval Pay. The Chief of the Naval Staff urged that, though there may be sound and logical reasons in support of the Treasury's viewpoint on this matter, members of the R.A.N. will interpret any variation of their existing pay conditions as a reduction in pay. For the general contentment of the Service, he urged that no variation should be made under present circumstances.

2.

- Navy*
Army
Navy
RSPB
- (iv) Ships for Darwin. The Prime Minister drew attention to the fact that s.s. "Zealandia" and "Arkaba" had been chartered to carry personnel, stores, equipment and coal to Darwin, and the "Manunda" had also been sent there to bring back 45 invalids. He urged the rigid observance of economy in the chartering of ships and their use. It was explained that the trip of the "Manunda" was a working-up run with a view to her employment in the Middle East. The Treasurer pointed out that additional expenditure had been authorised for the fitting out of this ship for reasons of urgency, but it was explained that the situation had changed since then.

(B) WEEKLY REPORT BY THE ACTING CHIEF OF THE GENERAL STAFF.

The Army report was noted by War Cabinet, after the following subjects had been specially mentioned by the Acting Chief of the General Staff or raised by War Cabinet :-

- Army*
Navy
RSPB
- (1) R.S.L. Volunteer Defence Corps. The Treasurer urged that in the organisation of these units every effort should be made to maintain members in territorial groups, according to the localities from which they were drawn and in which they were banded together in Branches of the League or in Soldiers' Clubs. The Acting Chief of the General Staff agreed with the importance of this.

The Minister for the Army referred to the demand for the issue of uniform and equipment to members of the Reserves, and the Acting Chief of the General Staff pointed out that those who joined the Class A Reserve of the Citizen Forces or the Class B Reserve for Garrison Battalions, received uniform and personal equipment. It was not contemplated that uniform and equipment would be issued to others who are members of the R.S.L. Volunteer Defence Corps.

It was decided that the Prime Minister, the Treasurer and the Minister for the Army should be appointed as a sub-committee to deal with requests of this nature arising from the R.S.L. Volunteer Defence Corps.

- (ii) Hutted Accommodation. The Acting Chief of the General Staff queried the correctness of War Cabinet Minute No. (472), which referred to the non-receipt of a comprehensive statement asked for on 2nd August.

Army
Navy
RSPB

He considered that the information furnished in Supplement No. 2 gave the required reply, but the Treasurer pointed out that, though this information had been before War Cabinet, it had not been possible to dispose of the matter owing to the lack of the more comprehensive statement originally asked for. The clear intention of Minute No. (472) was that the Military Board should submit to the Business Board the statement requested by War Cabinet, in order that the proposed expenditure of £660,000 could be promptly disposed of, without further reference to War Cabinet.

- Army*
- (iii) A.I.F. Strength. In regard to the statement in Report No. 33 that "at 26th August, enlistments in the A.I.F. totalled 88,278," it was stated that this figure referred to the number in camps in Australia.

A statement along the following lines is to be included

3.

in the weekly report for information and record purposes :-

- (a) Total number enlisted to date;
- (b) Number serving overseas;
- (c) Number serving in Australia;
- (d) Discharges to date;
- (e) Numbers awaiting final medical examination before enlistment.

(c) WEEKLY REPORT BY THE CHIEF OF THE AIR STAFF.

The Air report was noted by War Cabinet, after the following subjects had been specially mentioned by the Chief of the Air Staff :-

- (i) Anson Aircraft for Empire Scheme. The Chief of the Air Staff stated that it was proposed to take a number of Oxford aircraft in order to adhere to the programme laid down in the Empire Air Scheme.
- (ii) Wirraway Aircraft. The hundredth Wirraway aircraft had recently been delivered. Though deliveries had been unsatisfactory for some time, an improvement had been promised.

NA.
NA.

(474) AGENDUM No. 193/1940 - ACTING PROMOTION OF MEMBERS OF THE R.A.A.F. DURING THE WAR.

War Cabinet considered the following proposal submitted by the Minister for Air :-

"That members of the Permanent Air Force and members called up for service prior to the 6th October, 1939, in receipt of peace time rates of pay, who are granted acting rank and are filling vacancies on approved establishments of units should receive as from the date upon which they commenced to fill such vacancies, the pay of the equivalent substantive rank while so acting, provided they shall have satisfactorily filled such vacancies for a period of at least 21 days."

air
heavy.

As the proposal affects members of the Permanent Naval, Military and Air Forces, it was referred to the Treasury Committee for examination and report.

(475) AGENDUM No. 197/1940 - PURCHASE OF COTTON DUCK FOR ARMY TENTS.

(Previous reference - War Cabinet Minute No. (472)).

The Minister for Supply submitted proposals to give effect to the decision of War Cabinet in Minute No. (472) of 29th August, 1940, which authorised the purchase of an additional 2,000,000 square yards of cotton duck for the manufacture of tents. Purchase from the following sources of supply was recommended :-

Sup
Army
heavy
B.S.P.
G.O.

4.

<u>Source of Supply</u>	<u>Quantity</u>	<u>Shipment Dates</u>	<u>Amount</u> £.
United Kingdom	1,000,000 yards @ 2/3 to 2/4½d	Jan.-Feb.- March, 1941	118,750
Australia	500,000 yards @ 2/7d.	-	64,583
India	250,000 yards @ 1/2d.	Oct.-Nov.- Dec., 1940	14,583
Japan	250,000 yards @ 9½d to 10½d.	Oct.-Nov.- Dec., 1940	10,940
Total	<u>2,000,000 yards</u>		<u>£208,856</u>

Approval was given for the 2,000,000 yards of cotton duck to be obtained from the following sources of supply, subject to the Chief Inspector's approval of the samples in each case being of comparable quality :-

<u>Source of Supply</u>	<u>Quantity</u>	<u>Amount</u> £.
United Kingdom	500,000 yards @ 2/3 to 2/4½d.	59,375
Australia	500,000 yards @ 2/7d.	64,583
India	500,000 yards @ 1/2d.	29,166
Japan	<u>500,000 yards @ 9½d to 10½d.</u>	<u>21,880</u>
Total	<u>2,000,000 yards</u>	<u>£175,004</u>

(476) AGENDUM No. 194/1940 - INTERNMENT OF PERSONS ENGAGED IN SUBVERSIVE ACTIVITIES.

(Previous reference - War Cabinet Minute No. (303)).

*Army
my Gen
1930.*

War Cabinet approved that where G.O.Cs. Commands are satisfied that any person is engaged in subversive activities or is otherwise engaged in activities contrary to the interests of national security, such persons should be interned, the G.O.C. submitting his recommendation for Ministerial decision under National Security (General) Regulation 26. The proposal of the Department of the Army that membership of an association declared to be unlawful should also be a reason for internment, was not agreed with.

In regard to recommendations for release from internment, it was directed that the Department of the Army should circulate advisory committees constituted under National Security (General) Regulation 26(3), inviting their attention to Regulation 26(7) recently approved by War Cabinet, whereby the onus is on the individual to show why he should not continue to be detained :-

5.

"26. (7) A recommendation for the release of a person who is detained in pursuance of an order under this regulation shall not be made by an advisory committee unless it is satisfied that it is neither necessary nor advisable for the public safety or the defence of the Commonwealth that the person should continue to be detained."

(477) SUPPLEMENT No. 1 to AGENDUM No. 151/1940 - EXPANSION OF R.A.A.F. TO 32 SQUADRONS - PURCHASE OF P.B.Y. FLYING BOATS.

(Previous reference - War Cabinet Minute No. (391)).

In War Cabinet Minute No. (391) relative to the expansion of the R.A.A.F. for home defence, approval was given, as an initial step, to enquiries being made as to the possibility of obtaining the necessary aircraft. Included in the statement of requirements were eleven P.B.Y. flying boats additional to the seven already on order, the estimated cost of the former being £715,000.

On 29th August the Chief of the Air Staff submitted the following :-

"The Australian Government Trade Commissioner in New York has taken an option on eleven (11) P.B.Y.5 flying boats, delivery of which can be arranged at the rate of two (2) per month commencing August, 1941, that is, on the completion of the existing contract for seven (7) flying boats.

"As the option is subject to the manufacturer receiving other orders and will expire on September 1st, it is requested that approval be given to place a firm order immediately. The estimated cost for the eleven (11) flying boats complete with six (6) spare engines, radio and other equipment, and a range of spare parts and materials is £1,000,000."

In view of the necessity of conveying an immediate decision to the Australian Trade Commissioner in New York, and after consultation with the Treasurer, who agreed to the provision of the estimated amount of £1,000,000, the Prime Minister approved the placing of the order. War Cabinet confirmed the action taken in this matter.

(478) CAPTAIN P.G. TAYLOR, E.G.M. - PROPOSAL FOR PACIFIC AIR SURVEY AND AIR ROUTE.

(Previous reference - War Cabinet Minute No. (409)).

In reply to an enquiry by the Treasurer as to the present position of the approval given to the late Minister for Air to investigate the delivery of one of the flying boats to Captain Taylor in America for a survey flight of the route proposed by the latter, the Minister for External Affairs stated that the matter had been the subject of discussion between the Secretary, Department of External Affairs, and Captain Taylor for some time, but the position in regard to landing rights at Clipperton Island was not clear, and there appeared to be considerable difficulties in the way of carrying out Captain Taylor's project.

*air
leasing*

*E.A.
the
hammer*

6.

(479) EQUIPMENT OF THE 7th DIVISION, A.I.F.

The Minister for the Army raised the question of the attitude to be adopted towards the press in regard to requests for a statement on the present stage of equipment of the 7th Division, A.I.F., and the consequent training that is possible. It was agreed that it was undesirable in the public interest to make any statement on this subject, and the publication of any information of the state of the equipment of the Forces should be covered by censorship instructions.

(480) NICKEL FROM NEW CALEDONIA.

The Minister for External Affairs explained that a representative of the French nickel interests in New Caledonia held a Power of Attorney from M. Vois, who had disappeared on the "Notou". The person holding the Power of Attorney had had the terms of the contract explained to him and was agreeable to its provisions, but, in order to provide for local taxation, desired to dispose of 1,200 tons of matte additional to the quantity of 450 tons per month to be purchased by the Commonwealth.

The Prime Minister stated that he would ascertain through the Director-General of Munitions the views of Sir Colin Fraser on the disposal of this additional quantity.

(481) AGENDUM No. 181/1940 - ENROLMENT OF YACHTSMEN AND OTHERS FOR SERVICE OVERSEAS.

War Cabinet noted the contents of Dominions Office Despatch No. 94 relating to an Admiralty scheme for :-

- (a) The acceptance for direct commissions in the Royal Naval Volunteer Reserve of Australians between the ages of 30 and 40 who possess a knowledge of navigation equivalent to that required for a Yachtmaster's Certificate;
- (b) The enrolment as Ordinary Seaman of Australians between 20 and 30 years of age who would, if satisfactory after three months' service be promoted to commissions in the Royal Naval Volunteer Reserve;
- (c) The passages of selected persons from Australia to England and pay at Royal Navy rates as an Admiralty charge. The numbers proposed as a first instalment were 50 officers and 150 ratings.

War Cabinet approved of the proposal and agreed to the recommendation of the Minister for the Navy that personnel selected should be appointed to the R.A.N.V.R. and be sent abroad as part of Australia's contribution to the Empire War Effort. It was noted that the estimated cost of the proposal including passage money to the United Kingdom would be £71,500 in 1940/41, with an eventual annual maintenance cost of £62,000 in subsequent years. This provides for 50 officers and 150 ratings, after making allowance for advancement to commissioned rank of a proportion of the latter.

Army
(Minister for Army
will give
instructions to
Informant)
Informant
B.P.M.

EA
Munitions
Training

Navy
Training
X

7.

(482) AGENDUM No. 180/1940 - THE SURVEY AND MAPPING PROGRAMME.

War Cabinet noted that the position in regard to survey maps which are essential to the defence of the Commonwealth is as under :-

Maps published	..	105 and part of four sheets
Maps in course of preparation		15
Maps not yet commenced	..	127

and approved of the following action with a view to speeding up map production :-

- Army*
Naval
- (a) An immediate increase in the strength of the Australian Survey Corps to the establishments provided for 1940/41, namely, an additional eight officers and 53 other ranks.
 - (b) The formation of a Survey Company in each Command. Each Command Survey Company, consisting of Headquarters, three Survey Sections, two Draughting Sections and Transport, to be formed progressively by utilizing the Field Survey Units, R.A.E., as a training depot and drafting successive batches of trainees, after a two months' course, into the Survey Companies until these companies are built up to establishment.
 - (c) The organisation of civilian survey and compilation sections. These could be organized by State Survey Liaison Officers created as far as possible in the State Lands and Survey Departments.
 - (d) Augmentation of the Staff of the Australian Survey Corps Cartographic Section to handle the volume of field and mapping data.
 - (e) Organization of a Central Computing Unit which would be composed of military and voluntary civilian personnel, in control of an officer of the Australian Survey Corps, located at the Melbourne University, and recruited from University staff, students with the necessary qualifications and qualified civilians, and assisted by a similar voluntary effort on the part of other Universities.

It was noted that the expenditure in 1940/41 would be £287,297, and that in 1941/42 the estimated cost would be £333,000.

(483) AGENDUM No. 189/1940 - ANTI-SUBMARINE BOOM - DARWIN.

Naval
War
S.D.C.

The proposal for additions to the proposed anti-submarine boom defence at Darwin, as a result of the experience gained by the destruction of H.M.S. "Royal Oak" in Scapa Flow, was referred to the Defence Committee for consideration and report.

8.

(484) SUPPLEMENT No. 3 to AGENDUM No. 149/1940 - SUPPLY OF AIRCRAFT BOMBS AND COMPONENTS.

(Previous reference - War Cabinet Minute No. (433)).

War Cabinet noted that the Agendum provided for alternative schedules based on 19 and 32 squadrons respectively for :-

- (a) A reserve of twelve months' war wastage requirements of aircraft bombs and components based on the maximum scale of attack;
- (b) Anticipated expenditure for three years for training of home defence units and the Empire Air Training Scheme;
- (c) Creation of production capacity to replace war wastage;

and that for 19 squadrons these would cost an additional £3,352,000, all of which would be expended in 1940/41, while for 32 squadrons the additional cost would be £7,500,000, of which £7,469,500 would be expended in 1940/41 and £30,500 in 1941/42.

air
recovery
ammunition
1939

Under the policy that had been approved by War Cabinet for the supply of Army munitions requirements, reserves of ammunition and expendable stores were authorised on a basis sufficient to meet six months' war wastage. A similar policy had also been adopted for Air Force requirements of aviation spirit and of pyrotechnics, small arms ammunition, machine gun links, practice bombs and chloride fillings.

War Cabinet therefore approved that Air Force reserves of bombs and components should be provided on a similar basis until such time as the Chiefs of Staff jointly recommended otherwise. It was directed that the schedules of Air Force requirements of such bombs and components should therefore be amended to provide for :-

- (i) A reserve to meet six months' war wastage;
- (ii) Manufacturing capacity to be created to provide for replacement of war wastage;
- (iii) Planning to be proceeded with on a 32 squadron basis, pending advice as to the availability of aircraft to permit of the formation of 32 squadrons;
- (iv) The manufacture of the training requirements for the next three years to be spread over that period and financial provision made in the Estimates for each year accordingly.

(485) THAILAND MISSION.

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The Prime Minister read a copy of cablegram No. 292 of 2nd September from the British Minister at Bangkok to the Foreign Office (repeated to Commonwealth Government) advising the intention of the Thailand Government to send a mission to Australia. It was decided to approve of this proposal.

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(486) AGENDUM No. 160/1940 and SUPPLEMENT No. 1 - REQUIREMENTS OF PYROTECHNICS, SMALL ARMS AMMUNITION, MACHINE GUN LINKS, PRACTICE BOMBS AND CHLORIDE FILLINGS.

(Previous reference - War Cabinet Minute No. (402)).

War Cabinet noted that the Agendum provided for alternative schedules based on 19 and 32 squadrons respectively for :-

- (a) A reserve to provide for six months' war wastage of pyrotechnics, small arms ammunition, machine gun links, practice bombs and chloride fillings, based on the maximum scale of attack;
- (b) Training requirements for a period of three years for Home Service squadrons and the Empire Air Training Scheme;
- (c) Creation of productive capacity to replace war wastage;

and that for 19 squadrons the above supplies would cost an additional £461,100, all of which would be expended in 1940/41, while for 32 squadrons the additional cost would be £1,170,000, of which £1,130,000 would be expended in 1940/41.

War Cabinet approved of the proposal contained in the Agendum, subject to the following :-

- (i) Planning is to be proceeded with on a 32-squadron basis pending advice as to the availability of aircraft to permit the formation of 32 squadrons;
- (ii) The manufacture of the training requirements for the next three years is to be spread over that period and financial provision made in the Estimates for each year accordingly.

(487) AGENDUM No. 185/1940 - WOMEN'S NATIONAL SERVICE ORGANISATION.

(Previous reference - War Cabinet Minute No. (416)).

War Cabinet considered the proposal put forward by the Premier of New South Wales that the Commonwealth might contribute towards subsidising the Women's Australian National Service in New South Wales on a pound for pound basis with the State Government up to £400. The Premier suggested that the Commonwealth's contribution might be effected by a special payment to the Women's Australian National Service or by a diversion to that organisation of the existing subsidy paid to the State Council of the Women's Voluntary National Register for the maintenance of the Register and related expenditure.

It was decided to inform the Premier of New South Wales that the State Council of the Women's Voluntary National Register will continue to function as the medium of communication between the Commonwealth Government and women's organisations in the State regarding the registration of women, and any surplus remaining at the end of each quarter out of the existing grant to the Council, after due provision for the maintenance of the Register, will be made available for the work of the Women's Australian National

*Air Ministry
J. P. P.*

*P. M. L.
New South Wales
New South Wales*

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Service in New South Wales.

As the total amount to be made available annually by the Commonwealth Government for women's war organisation in New South Wales would therefore be £400, the Commonwealth subsidy would, in effect, be on a pound for pound basis with the proposed State Government grant.

(488) AGENDUM No. 191/1940 - MUNITIONS DEVELOPMENT PROGRAMME.

War Cabinet noted the following allocations to projects under the Expanded Development Programme submitted by the Director-General of Munitions :-

<u>Project No. and Description</u>	<u>Machinery and Plant</u> £.	<u>Buildings and Works</u> £.	<u>Total</u> £.
1(b) Small Arms Ammunition manufacture ...	200,000	150,000	350,000
1(e) Cartridge case manufacture ...	320,000	80,000	400,000
1(g) No.2 Cartridge Case and Fuze Factory	2,080,000	920,000	3,000,000
2(k) No.2 Explosives and Filling Factory	1,000,000	2,500,000	3,500,000
3(b) Shell manufacture...	100,000	-	100,000
3(d) Gun manufacture ...	90,000	60,000	150,000
4(b) Machine gun manufacture ...	400,000	100,000	500,000
9 Armament Annexes ...	1,600,000	-	1,600,000
10 Loan Machines ...	600,000	-	600,000 [*]
	<u>6,390,000</u>	<u>3,810,000</u>	<u>10,200,000</u>

* An additional amount of £400,000 for this project was authorised in Finance Authority No. 8.

It was noted that, though the above amount of £10,200,000 is only an instalment of the capital expenditure likely to be necessary to meet the requirements of the manufacturing programme, it will provide a substantial proportion of the complete Development Programme, for which an approximate estimate will be submitted by the Director-General of Munitions at the earliest possible moment.

As soon as the Director-General of Munitions is in a position to do so, War Cabinet desires statements showing :-

- (i) The relation of the capacity to be provided under the above programme to the munitions requirements approved for the Services;

*Munitions
Navy
Army
air*

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(ii) The broad order of priority on which production is being planned for :-

The Services individually;
Between Services;
Between Australia and the other parts of the Empire.

(489) PAY OF THE CHIEF OF THE GENERAL STAFF.

It was decided that the pay of Lieut.-General V.A.H. Sturdee as Chief of the General Staff should be £1,500, plus an allowance of £500 per annum whilst holding this position.

The provision in this manner of the emoluments of this office, which had been recommended originally by the late Inspector-General and approved by the late Minister for the Army, was re-affirmed. It was also noted that this decision was related to the interchangeability of the appointments of C.G.S. and G.Os.C., Eastern and Southern Commands, the salaries of the latter being £1,500.

*Army
Navy*

(490) MEMBERS OF THE FORCES ENGAGED IN ELECTIONEERING.

On the recommendation of the Minister for the Army it was decided to grant leave without pay for the period of the election campaign to members of the Forces who have enlisted for war service and are members of Parliament or candidates for election.

*Army
Army
Air
Attorney Gen.
Navy*

(491) AGENDUM No. 183/1940 and SUPPLEMENT No. 1 - NUCLEUS OF LINE OF COMMUNICATION ORGANISATION FOR MOBILISATION.

(Previous reference - War Cabinet Minute No. (465)).

Consideration of this Agendum was deferred pending receipt of the information requested in Minute No. (465).

Secretary.

PRIME MINISTER.

MINUTES

o f

WAR CABINET MEETING.

SYDNEY, 10th SEPTEMBER, 1940.

FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 Senator the Hon. P.A.M. McBride, Minister for the Army and Minister for Repatriation.
 The Hon. A.W. Fadden, M.P., Minister for Air.
 The Hon. Sir Frederick Stewart, M.P., Minister for Supply and Development (not present after Minute No. (497)).
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.

(492) AGENDUM No. 199/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 34 - WEEK ENDED 7th SEPTEMBER, 1940).

(The following were present when the above Agendum was under discussion :-

Admiral Sir Ragnar Colvin, K.B.E., C.B., Chief of the Naval Staff;
 Air Chief Marshal Sir Charles Burnett, K.C.B., C.B.E., D.S.O., Chief of the Air Staff;
 Major-General J. Northcott, M.V.O., Deputy Chief of the General Staff.)

(A) WEEKLY REPORT BY THE CHIEF OF THE NAVAL STAFF.

The Naval report was noted by War Cabinet, after the following subjects had been specially mentioned by the Chief of the Naval Staff or raised by War Cabinet :-

- N.A.
- (i) Dutch Ships for A.I.F. Convoy. The Chief of the Naval Staff stated that trouble threatened to arise from the Chinese crews of the Dutch ships which had been allotted for the next A.I.F. convoy. The situation is under consideration.
- N.A.
- (ii) H.M.A.S. "Adelaide". In regard to the part to be played by H.M.A.S. "Adelaide" in support of M. Sautot as the head of the de Gaulle movement in Noumea, the importance of not provoking a conflict was stressed, and it was agreed, on the suggestion of the Chief of the Naval Staff, that H.M.A.S. "Adelaide" should only fire if fired upon.
- N.A.
- (iii) Unidentified Vessel in South-western Area. Referring to sub-paragraph 9(vi) of Naval report No. 34, regarding air searches for an unidentified vessel sighted in the south-western area on 3rd September, and the failure to re-locate her, the Chief of the Naval Staff stated that it was probably the raider in the Tasman which, having sighted the first aircraft, had proceeded beyond air range from the coast.

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- (iv) Personnel. In regard to the statement in Naval report No. 34 that the manning of the new 'N' class destroyers will involve approximately 50 officers and 1,050 ratings, it was noted that, in Minute No. (285), approval had been given for 850 additional personnel for these destroyers. Authority was now given for 250 additional personnel, making the position in regard to destroyers as follows :-

Navy
Treasury
B. B. P.

Present total approval -			
New destroyers	::	::	1,100
Existing destroyers	::	::	<u>750</u>
			1,850
Previous approval -			
To augment crews of Australian destroyers on turning over to new and larger vessels	..	..	100
Crews of present Australian destroyers	..	..	<u>750</u>
Total personnel for new vessels			850
Personnel required to continue to maintain the old Australian destroyers	..	..	<u>750</u>
			<u>1,600</u>
Additional personnel now approved			<u>250</u>

It was also noted from Minute No. (285) that approval had been given for the ten local defence vessels being constructed in Australia for the Admiralty to be manned by the R.A.N. The Chief of the Naval Staff stated that it was proposed that the ten additional local defence vessels recently approved for the Admiralty (Minute No. (470)) should also be manned by R.A.N. personnel, the additional number required being 600. Approval was given to raising this further number.

The aggregate position of additional crews for R.N. purposes, as now authorised, is :-

20 local defence vessels..	..	..	1,200
Crews for destroyers	..	..	1,100
Anti-submarine officers and men	..	..	340
Enrolment of yachtsmen approved by War Cabinet on 3rd September, 1940	..	..	<u>200</u>
			<u>2,840</u>

(B) WEEKLY REPORT BY THE CHIEF OF THE GENERAL STAFF.

The Army report was noted by War Cabinet, after the following subjects had been specially mentioned by the Deputy Chief of the General Staff or raised by War Cabinet :-

- (1) Internees from Overseas. The Deputy Chief of the General Staff stated that the Intelligence Officer who had travelled to Australia on the "Dunera" had reported that all the persons sent to Australia were internment cases. This aspect was mentioned in view of an earlier reference in Minute No. (471) to the suggestion of the United Kingdom Government for the segregation in different internment camps of the various categories of internees, and to the

Navy
Treasury
B. B. P.

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possibility of applying a system of less rigid custodial treatment to those not falling within the potentially dangerous class.

- (ii) Strength of the A.I.F. In regard to the information furnished in paragraph 2 of Army report No. 34, the following comparison was made with statistics furnished at an earlier date :-

	Position as at 26th August, 1940.	Position as at 2nd September, 1940 (vide Chiefs of Staff Report)
Members serving overseas	24,331	26,833
Members serving in Australia -		
In camp ..	87,803	91,006
In hospital, absent without leave, awaiting discharge, &c. ..	5,238	
Members discharged ..	4,790		5,302
Total number enlisted to date	122,162	123,141
Add number awaiting final medical examination prior to enlistment	8,000	8,000
	<u>130,162</u>	<u>131,141</u>

This comparison indicates that, although 979 personnel appear to have been enlisted during the week, the number awaiting final examination remains at approximately 8,000.

The Deputy Chief of the General Staff stated that the 8,000 was an estimated figure, following advice from a conference of representatives of the various Commands. The Prime Minister directed that the records of statistics relating to personnel should be established on a thoroughly accurate basis, so that reliable information could be furnished regarding strengths. This figure is also important for estimating other needs, such as camp accommodation and clothing and personal equipment.

- (iii) Postage - A.I.F. Overseas. It was stated that during the last war letters from the A.I.F. overseas were franked, but letters from the A.I.F. in the Middle East now bear postage stamps. The Department of the Army is to consult the Postal Department on the subject, and submit a statement of the previous arrangement and present position, together with the reasons for the present charges for ordinary mails.

(C) WEEKLY REPORT BY THE CHIEF OF THE AIR STAFF.

The Air report was noted by War Cabinet, after the following subjects had been specially mentioned by the Chief of the Air Staff:-

- (i) Air Force Casualties. The Chief of the Air Staff stated that he would shortly submit statistics showing the

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comparison of the ratio of casualties in the R.A.A.F. since the war with the pre-war period.

- N.A.
- (ii) Link Trainers. The Chief of the Air Staff said that the Link Trainers are not part of the equipment to be supplied by the United Kingdom Government under the Empire Air Scheme.
- N.A.
- (iii) Wirraway Engines. The Chief of the Air Staff stated that the trouble experienced with the seizure of engines was being overcome as the result of the modifications which had been suggested in the light of the experience of the Pratt & Whitney Company.
- N.A.
- (iv) Bellman Hangars. It was explained that the delay in delivery of material from the Broken Hill Proprietary Company is due to the special rollings which have to be carried out for this particular class of steel. These rollings have to await their priority with other demands on the Company.

(493) AGENDUM No. 198/1940 - GRANT OF TRAVELLING FACILITIES TO MEMBERS OF THE SPECIAL AND CITIZEN FORCES - EMERGENCY CASES.

(The Deputy Chief of the General Staff was present for the discussion of this Agendum).

It was approved that free travelling facilities should be provided for members of the A.I.F. and of the Citizen Military Forces attending a three months' camp when leave is granted to visit their homes in cases of great hardship, such as the following:-

- (i) Death or serious illness of wife, child or parent or other near dependent relative;
- (ii) Damage or destruction to home, property or stock by flood, fire or hurricane.

This approval applies to both interstate and intra-state journeys. Commanding Officers are to satisfy themselves that cases are bona fide on the personal application of members.

The same concession is to be extended to :-

- (a) Members of the Forces who have been called up for continuous service during the war;
- (b) Members of the Forces enlisted for the duration of the war since 6th October, 1939.

It was noted by War Cabinet that provision along the lines approved already exists in Naval Regulations.

In regard to the information on concession fares contained in the Agendum, it was pointed out that a member in camp in New South Wales can obtain a concession fare to the border, but must pay a full fare from Albury to Melbourne. The Department of the Army is to ascertain whether more uniform concessions can be arranged.

*Heavenly
Army
Navy
Air
Indians*

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(494) SUPPLEMENT No. 2 to AGENDUM No. 65/1940 - BASIS OF COST OF CONVEYANCE OF A.I.F. OVERSEAS.

(Previous reference - War Cabinet Minute No. (219)).

(The Chief of the Naval Staff was present for the discussion of this Agendum).

With reference to the High Commissioner's telegram of 21st August, War Cabinet considered the Naval Board's recommendations on the following questions raised by the High Commissioner, and recorded the following decisions thereon :-

- Very necessary.*
- (i) Provisional Claim for £225,000 sterling for cost of transport of A.I.F.

The proposed reply was noted and approved.

- (ii) Claim by Ministry of Shipping for an amount approaching £1,000,000 in respect of compensation to the owners for the loss of the "Pilsudski."

The reply is to be strengthened by rejecting any liability for this claim. The words "without further information" are to be deleted and an added reference made to the fact that Mr. Casey's cablegram of 22nd November, 1939, cannot be construed as committing the Commonwealth in any manner whatsoever.

- (iii) Whether the Naval Board or other authority were aware that the United Kingdom Government, as the charterer, was carrying war risks, and if so, whether it was agreed or implied that the Commonwealth Government would also carry those risks while vessels were employed in the transport of Australian troops.

The proposed reply was noted and approved.

- (iv) Whether specific arrangements made as to the times and ports at which the Australian liability for the hire should begin and end. "Mauretania" and "Queen Mary" both charged to the Commonwealth as from March 7th.

The proposed reply was noted and approved.

- (v) Whether any arrangements were made as to the apportionment of fitting out cost.

The proposed reply was noted and approved.

- (vi) War Risk on Dutch Vessels.

The action taken by the High Commissioner was noted.

- (vii) General.

It was considered that the cablegram should be strengthened by a fuller reiteration of the Commonwealth's views, as outlined in the cablegram of 9th April to the High Commissioner, under which the adoption of a per capita basis was pressed for. The following extract from the High Commissioner's cablegram of 23rd May was also noted, and it was considered that the promised statement is an essential preliminary to the determination of a basis for the settlement of claims :-

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"They (the Ministry of Shipping) appreciate that the Commonwealth will wish to know the extent of commitment as early as possible and they would be prepared to furnish at an early date, a first statement of expenditure. They suggest, for your consideration, that the question might be deferred until that statement is made available."

The reference in the draft cablegram to the assistance that might be rendered by an officer proceeding from Australia was endorsed, but in any negotiations of this nature, the officer is to work under the High Commissioner.

(495) AGENDUM No. 196/1940 - NAVY MINING POLICY.

(The Chief of the Naval Staff was present for the discussion of this Agendum).

War Cabinet approved of the recommendation of the Minister for the Navy that the Australian mine reserve be increased to 1,500, by the manufacture of an additional 1,000 mine bodies at the annex of the Ford Company's works, Geelong, after delivery of the current order for 500 has been made. The additional estimated expenditure of £336,000 was approved, and it was noted that this estimate might be insufficient should requirements necessitate the introduction of shift work.

(Note: As it is understood that the present order is £150 each, the difference in price is presumed to be for filled mines as distinct from mine bodies, and the point is to be clarified).

Approval was also given for the requisitioning forthwith and fitting out of a suitable 3,000-ton merchant ship as a minelayer, and the provision of the necessary Naval crew, at an estimated non-recurring expenditure of £35,000 for fitting out the vessel, and a total recurring annual expenditure of £74,000, made up as follows :-

(a) Rate of hire	..	..	..	£25,000 per annum
(b) Naval crew of twelve officers, 113 ratings	..	..	..	39,000 "
(c) Maintenance	..	..	..	10,000 "

The provision of additional storage accommodation at the Swan Island Mine Depot, at an estimated cost of £20,000, was approved.

(496) SUPPLEMENT No. 3 to AGENDUM No. 62/1940 - MANNING OF ANTI-AIRCRAFT DEFENCES.

(Previous reference - War Cabinet Minute No. (443)).

(The Deputy Chief of the General Staff was present for the discussion of this Agendum).

The opinion of the Defence Committee that, in present circumstances, preparations should be made for maintaining the anti-aircraft defences at Newcastle, Sydney, Melbourne and Fremantle in a state of continuous readiness, as has already been done in the

*Navy
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minutes*

*Navy
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case of the coast fortress units, was noted by War Cabinet.

Approval was given to the recommendation of the Defence Committee for the calling up for continuous service of the following personnel, as and when required, for the manning of anti-aircraft equipment :-

- (a) 26 officers and 630 other ranks required to complete the manning of the anti-aircraft guns at Newcastle, Sydney, Melbourne and Fremantle; and
- (b) 30 officers and 1,800 other ranks required to complete the manning of anti-aircraft lights at those places.

The decision will rest with the Minister for the Army and advice is to be forwarded of the financial commitment involved, if and when action is taken. It was noted that further information had not been furnished as required in the last paragraph of Minute No. (443) relative to the financial provision for troops authorised for calling up for full-time duty at Darwin.

(497) AGENDUM No. 183/1940 AND SUPPLEMENTS Nos. 1 and 3 - NUCLEUS OF LINE OF COMMUNICATION ORGANIZATION FOR MOBILIZATION.

(Previous reference - War Cabinet Minute No. (465)).

(The Deputy Chief of the General Staff was present for the discussion of these Agenda).

War Cabinet noted the further information on this subject (Supplement No. 3), which was submitted by the Department of the Army in accordance with Minute No. (465), and approved of the provision of nucleus installations on the Lines of Communication in accordance with the plan set out in the schedule to this Agendum, at an estimated total cost of £181,000, made up as follows :-

	£.	£.
Supply Depot buildings - 34 @ £2,200 ..	74,800	
2 @ £300 ..	600	75,400
Ordnance Depot buildings - 10 @ £2,200 ..	22,000	
Explosive Depots - 6 @ £1,440 ..	8,640	30,640
Total cost of buildings, including fittings but not workshop tools, &c.		106,040
Cost of camps to accommodate Depot Units personnel who are undergoing training and required to maintain the troops under arms ..		65,000
Minimum railway facilities required, i.e., short spur lines to Store Depots ..		9,960
Total cost of the proposal ..		<u>£181,000</u>

It was noted that financial provision for this amount exists in the unallotted balance of projects in the War Programme and Works Services.

War Cabinet also noted from Supplement No. 1 that the Business Board had endorsed the Army's proposal for stocks of reserve rations at the above centres, costing £417,122. This action was approved, together with certain recommendations in the Board's report.

Army
Navy
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(498) NEW CALEDONIA.

(Previous reference - War Cabinet Minute No. (418)).

(The Chief of the Naval Staff was present for the discussion of this subject).

The Minister for External Affairs brought to the notice of War Cabinet cablegram No. 182 of 9th September from the British Resident Commissioner, New Hebrides, regarding the plans of M. Sautot for his "coup de force" at Noumea. Reference was also made to the comments of the High Commissioner for the Western Pacific in his cablegram No. 273 of 10th September to the British Resident Commissioner on the latter's cablegram.

It was decided that the Commanding Officer of H.M.A.S. "Adelaide" is to be informed that it is to be clearly understood that the responsibility for proceeding to Noumea is a matter for M. Sautot himself, and the Commanding Officer is not to convey him there against his wishes.

(499) SUPPLEMENT No. 7 to AGENDUM No. 2/1940 - PROVISION OF MECHANICAL TRANSPORT VEHICLES FOR THE A.I.F. - MOTOR CYCLES.

(Previous reference - War Cabinet Minute No. (466)).

(The Deputy Chief of the General Staff was present for the discussion of this Agendum).

The Minister for the Army circulated Supplement No. 7 at the meeting and stated that financial provision of £544,700, as requested in Supplement No. 5, was urgently required for the provision of the following motor cycles :-

	Initial Issue	Wastage at 6% per month
6th Division ..	685	699 - 17 months
7th Division ..	685	534 - 13 months
8th Division ..	685	370 - 9 months
Corps Troops ..	1,133	883 - 13 months
Ancillary Troops ..	65	35 - 9 months
	3,253	2,521
Total ..	<u>5,774</u>	

War Cabinet approved of the necessary provision being made to complete the above establishment of initial issues, after allowing for the following previous approvals which had been given :-

- (a) Provision in Loan Act of 26th September, 1939 180 motor cycles
- (b) Provision in Agendum No. 2/1940 for 6th Division approved by War Cabinet vide Minute No. (115) of 5th January, 1940 776 "

(On 19th January (Minute No. 46) the Board of Business Administration

recommended that "motor cycles for the 2nd A.I.F. be obtained in Great Britain for direct delivery to the Force." On 17th February, the Secretary, Department of the Army, advised that "all machines required for the A.I.F. will be obtained by indent in England and delivered direct to the Force.")

- (c) Provision in Agendum No. 43/1940 for 7th Division and Ancillary Troops (Page 73, Part II) approved by War Cabinet, Minute No. (186) of 28th February .. 1,273 motor cycles
- (d) Reference in Agendum No. 2/1940, Supplement No. 4, for 7th Division and Corps Troops, vide Minute No. (389) of 3rd July, 1940, which recorded that the motor cycles were to be obtained from the United Kingdom and that provision had been made in War Programme .. 2,125 "

(The 1,273 motor cycles provided in Agendum No. 43/1940, vide (c), are included in the total of 2,125 in this Agendum).

It was noted that all orders are to be placed through the War Office, and that the motor cycles for the 7th Division are to be despatched to the overseas destination of this force.

Pending determination of the relation of wastage orders to the daily per capita arrangement for the maintenance of the A.I.F. in the field, no orders are to be placed for wastage, in view of the fact that these motor cycles are of British type and will be supplied by the War Office.

In regard to the references to the training of the A.I.F. being impaired through lack of machines and to the possibility of the 7th Division having to leave without any motor cycles, War Cabinet directed that an explanation should be submitted regarding the delay in acting on the earlier approvals.

(500) R.S.L. VOLUNTEER DEFENCE CORPS.

(Previous reference - War Cabinet Minute No. (473) (B) (i)).

(The Deputy Chief of the General Staff was present for the discussion of this subject).

Army
Secretary

The Minister for the Army referred to representations that had been made to the late Chief of the General Staff by the President of the Returned Soldiers' League for authority to permit the enlistment of civilians in the R.S.L. Volunteer Defence Corps. Mention was also made of the demands which are arising for the provision of uniforms, equipment and a capitation allowance for the members of this Corps, the provision of which was not contemplated when authority was given for its formation.

It was decided that the Minister for the Army and the Chief of the General Staff should confer with the President of the Returned Soldiers' League on these matters.

(501) NICKEL FROM NEW CALEDONIA.(Previous reference - War Cabinet Minute No. (480)).

*Munitions
Heavy*

The Prime Minister read the reply of Sir Colin Fraser, received through the Director-General of Munitions, regarding the proposed method of disposal of the additional 1,200 tons of nickel matte referred to in Minute No. (480). It was decided to defer further consideration until the situation in New Caledonia had clarified itself following M. Sautot's move on behalf of General de Gaulle.

(502) BREN GUN PRODUCTION - BONUS SYSTEM.

*Munitions
Heavy
Mun.*

On the recommendation of the Prime Minister, as Minister for Munitions, it was decided to approve of the bonus system put forward by the Director of Labour to accelerate Bren gun production.

(503) FLOUR AND WHEAT SALES TO JAPAN.

N.A.

The Minister for Commerce referred to a telegram despatched to the Wheat Board by Mr. Okada, of Mitsui Bussan Kaisha Ltd., in which he had stated that the policy of the Wheat Board was being dictated by the Commonwealth Government, presumably, according to the Minister's confidential information, as a reprisal for the detention of British subjects in Japan.

It was approved by War Cabinet that Mr. Okada's telegram should be brought to the notice of the Consul-General with a statement that no advice has been received that the Mitsui Company is the authorised representative to deal with these matters on behalf of the Japanese Government.

(504) LOCAL SECURITY OFFICERS' FORCE - CONFERENCE.

N.A.

The Minister for the Army stated that information had been received that a conference was being held in Canberra on 11th September between the Commissioners of Police and the Director of the Investigation Branch, regarding the recently approved Local Security Officers' Force. It was decided that the Navy and Army Departments should also be represented at the conference.

(505) ANGLO-JAPANESE RELATIONS - CLOSING OF THE BURMA ROAD.(Previous reference - War Cabinet Minute No. (449)).

N.A.

The Minister for External Affairs raised the recent cablegrams which had been received on this subject from the United Kingdom Government and the High Commissioner, and it was decided after discussion that a cablegram should be despatched to the High Commissioner, intimating that the Commonwealth Government felt it

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difficult to suggest a course of action owing to daily changes in the international position, and further advice would be forwarded to him as soon as possible. In the meantime, the Minister for External Affairs is to circulate for consideration of War Cabinet a draft cablegram which he has prepared on the subject.

(506) GARRISON BATTALIONS - SICK LEAVE CONDITIONS.

The Minister for the Army stated that the sick leave conditions for members of the Garrison Battalions were the same as for members of the Permanent Forces. As the essential idea of these conditions is that members receive credits for sick leave according to the length of their service, he did not consider they were appropriate for members with such short service, and they should be brought into line with members of the A.I.F. It was decided that the matter should be dealt with by Agendum submitted by the Minister.

*Army
Deputy*

Secretary.

PRIME MINISTER.

INVICTA BOND

MINUTES

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WAR CABINET MEETING.MELBOURNE, 16th SEPTEMBER, 1940.FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 Senator the Hon. P.A.M. McBride, Minister for the Army and Minister for Repatriation.
 The Hon. A.W. Fadden, M.P., Minister for Air.
 The Hon. J. McEwen, M.P., Minister for External Affairs.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.

(507) AGENDUM No. 209/1940 - WEEKLY PROGRESS REPORTS BY CHIEFS OF STAFF (No. 35 - WEEK ENDED 14th SEPTEMBER, 1940).

(The following were present for the discussion of this Agendum:-

Admiral Sir Ragnar Colvin, K.B.E., C.B., Chief of the Naval Staff;
 Lieut.-General V.A.H. Sturdee, C.B.E., D.S.O., Chief of the General Staff;
 Air Chief Marshal Sir Charles Burnett, K.C.B., C.B.E., D.S.O., Chief of the Air Staff;
 Major-General J. Northcott, M.V.O., Deputy Chief of the General Staff).

(A) WEEKLY REPORT BY THE CHIEF OF THE NAVAL STAFF.

The Naval report was noted by War Cabinet after the following subject had been raised :-

has hearing.
Hospital Ship "Manunda". The Treasurer raised the question of the accuracy of a press report that the company owning this vessel had agreed to pay the crew in sterling. He pointed out the principles involved from the aspects of the provision of sterling and the treatment of the crew in comparison with the restricted drawing rate in sterling for members of the A.I.F. and R.A.A.F.

The Minister for the Navy stated that there was no authority for the arrangement reported. He had informed the company that the ship was operating on a fixed charter and the Minister could not agree to the additional expense of payment of the crew in sterling being passed on to the Commonwealth as a Government charge.

(B) WEEKLY REPORT BY THE CHIEF OF THE GENERAL STAFF.

The Army report was noted by War Cabinet after the following subjects had been specially mentioned by the Chief of the General Staff or Deputy Chief of the General Staff, or raised by War Cabinet :-

2.

(i) Internees from Overseas. The Deputy Chief of the General Staff stated that the internees who recently arrived in the Commonwealth by the "Dunera" were poorly clad, and the records relating to them were meagre and incomplete. Those internees who are to be returned to England would have to be provided with new outfits of clothing.

N.A.

(ii) Munitions Production. In regard to the statement of deliveries of ammunition to Army stocks during the month of August, which was attached to Army Report No. 35, the Minister for External Affairs enquired whether a statement of munitions output could be prepared. The Prime Minister, as Minister for Munitions, promised that this would be arranged.

Munitions
Colby for P.M.

(Note: In Minute No. (333) the Director-General was asked to furnish a periodical report for the information of War Cabinet).

(iii) Destination of A.I.F. Though no reply has been received from the United Kingdom Government regarding the destination of the 7th Division of the A.I.F., the Deputy Chief of the General Staff stated that cablegrams had come from the High Commissioner referring to the provision of mosquito nets and financial arrangements in Malaya. The implication seemed that the 7th Division was to proceed to this region, and the Chief of the General Staff urged the importance of the 7th Division not being retained for an unduly long period there.

N.A.

(c) WEEKLY REPORT BY THE CHIEF OF THE AIR STAFF.

The Air Force report was noted by War Cabinet after the following subjects had been specially mentioned by the Chief of the Air Staff or raised by War Cabinet :-

- (i) Loss of Hudson Aircraft. The Chief of the Air Staff stated that, in regard to the Hudson aircraft recently lost at Brisbane, no information had yet been received as to the cause of the accident.
- (ii) Gipsy Engines. The Chief of the Air Staff stated that the local production of these engines is proceeding satisfactorily.
- (iii) Wirraway Aircraft. The Chief of the Air Staff stated that the production programme is in arrears. Following a general discussion the question was raised as to whether the Aircraft Production Commission should not have greater power of control over the production of the Commonwealth Aircraft Corporation. The Prime Minister, in referring to War Cabinet Minute No. (327) relative to the decision to take over the Commonwealth Aircraft Corporation, stated that the indications were that this step would have to be by compulsion. In that event there were various matters to be considered.

N.A.

In addition to the delay in the Wirraway programme, note was also taken of the difficulties that are being experienced with the seizure of the single-row Wasp engines.

5.

- (iv) Pilots for the Royal Air Force. The Chief of the Air Staff referred to a request from the United Kingdom Government that Australia should send 40 trainees per month to Rhodesia to be trained as pilots, in addition to the quota already undertaken in the Empire Air Scheme.
- (v) Beaufort Programme. The Chief of the Air Staff stated that twin-row Wasp engines are now to be provided both for the United Kingdom and Australian quotas of Beaufort aircraft, and that the programme is progressing satisfactorily.
- (vi) French Ships Trading between New Caledonia and Australia. The Minister for External Affairs referred to a suggestion by Mr. Ballard, the Australian representative in Noumea, that if possible arrangements should be made for R.A.A.F. machines periodically to fly over French ships trading between New Caledonia and Australia. Mr. Ballard said that this was necessary to improve the morale of the native crews, who presumably were perturbed about their safety, in view of the loss of the "Notou".

The Chief of the Naval Staff and the Chief of the Air Staff stated that this could only be arranged at the Australian end of the run, though if the de Gaulle party came into power in New Caledonia it would probably then be possible for Australian flying boats to visit there, and thus give a reassurance of a greater degree of security.

(508) COMMAND OF THE 8th DIVISION, A.I.F.

The Minister for the Army said that the Chief of the General Staff proposed the following :-

Major-General J. Northcott to command the 8th Division, A.I.F.;
 Brigadier Plant to be withdrawn from the A.I.F., and to be
 Deputy Chief of the General Staff;
 Major-General H.G. Bennett to command the 2nd Division, A.M.F.;
 Major-General J.H. Cannan to be transferred from the command of
 the latter division to be Quartermaster-General on the
 Military Board.

It was decided to defer further consideration on these proposals.

(509) AGENDUM No. 203/1940 - ANGLO-JAPANESE RELATIONS -
 CLOSING OF THE BURMA ROAD.

(Previous reference - War Cabinet Minute No. (505)).

War Cabinet considered Dominions Office cablegrams M.58 of 5th September, and D.450 of 3rd September, and the proposed draft reply circulated by the Minister for External Affairs. It was decided after discussion that, though the United Kingdom Government can best judge the danger of war with Japan, the considerations as they present themselves to the War Cabinet indicate that temporizing negotiations should be entered upon. It was left to the Prime Minister to draft a reply outlining the alternative courses of action and the reasons which indicated the conclusion mentioned.

4.

(510) LITHGOW HOUSING SCHEME.

With regard to the housing shortage at Lithgow consequent upon the large expansion of the numbers employed in the Government Munitions Factories, it was decided that, as part of the general scheme for the provision of housing accommodation for munition workers in remote localities, the Government would be prepared to enter into negotiations with a co-operative Building Society to assist it in financing a scheme for the provision of this accommodation.

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(511) AGENDUM No. 204/1940 - SUPPLY OF MUNITIONS TO THE UNITED KINGDOM.

War Cabinet considered the report of the Defence Committee in regard to the resumption of deliveries of munitions to the United Kingdom and approved of the following :-

- Army
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- (a) Shell 18-pdr. (empty). Shipment of 50,000 empty shell (18-pdr.) per month to the United Kingdom in fulfilment of the order for 200,000.
 - (b) Mortar Bombs 3-inch (empty). Shipment of 24,000 empty mortar bombs 3-inch to the United Kingdom per month - the position to be reviewed in December, 1940.
 - (c) Small Arms Ammunition. In view of the improved production position, delivery of :-
 - 1,000,000 rounds of small arms ammunition to New Zealand in October;
 - 5,000,000 rounds of small arms ammunition to United Kingdom per month - the position to be reviewed in December, 1940, or earlier in the event of a deterioration in the Far Eastern situation.
 - (d) 6-inch Howitzer Shell. Shipment of 1,500 6-inch Howitzer filled shell to the United Kingdom per month - the position to be reviewed in December, 1940.

War Cabinet noted from Dominions Office cablegram Z.229 of 1st September that the United Kingdom Government has decided to allocate from now onwards approximately 50% of future production of equipment to the reinforcement of other theatres, and also that it is intended to despatch the balance of the 6th Division from the United Kingdom to the Middle East as soon as practicable. It was decided that, before any arrangements are made for the shipment to the United Kingdom of the munitions now approved, the United Kingdom Government should be informed of the extent to which Australia is in a position to assist, and asked to indicate the destination of the items that are now available.

War Cabinet did not approve of the resumption of deliveries of rifles to the United Kingdom for the present. It noted that the Army surplus of rifles, after allowing for delivery of 10,000 to New Zealand, is 45,900 of which 20,000 require reconditioning, and directed that a report be furnished as to the reason for the numerous complaints received by Ministers regarding the shortage of rifles for training purposes in A.I.F. camps.

5.

War Cabinet noted that, after allowance for stocks, there are wide discrepancies between the Army requirements shown in some of the items of this Agendum and those indicated in Agendum No. 141/1940. An explanation of these differences is to be submitted for its information.

(512) AGENDUM No. 205/1940 - SUPPLY OF MUNITIONS TO NETHERLANDS INDIES - VISIT OF N.E.I. ARMY COMMISSION.

In view of the special significance of the defence of the Netherlands Indies, as indicated in the United Kingdom Chiefs of Staff appreciation on the Far Eastern position, War Cabinet approved of the visit to Australia of a Netherlands Army Commission, for discussion of the possibilities of the supply by Australia of munitions to the Netherlands Indies. The visit of the Commission should be made as unobtrusively as possible, and should be limited to two or three officers as proposed by the Consul-General of the Netherlands.

As a preliminary to the visit of the Commission, the Consul-General should be asked to furnish a schedule of the requirements of his Government in order that the Service and Munitions authorities may be in a position to estimate the extent to which it may be possible to meet such requirements.

Any arrangements for the visit of the Commission to Service and Munitions establishments are to be given special consideration by the Departments concerned, in view of the importance of the security aspect.

(513) SUPPLEMENT No. 1 to AGENDUM No. 193/1940 - ACTING PROMOTION OF MEMBERS OF THE ROYAL AUSTRALIAN AIR FORCE DURING THE WAR.

(Previous reference - War Cabinet Minute No. (474)).

(The Chief of the Air Staff was present for the discussion of this Agendum).

Approval was given to a member of the Permanent Military or Air Forces who is granted acting rank and is filling a vacancy on the authorised establishments of his unit, being paid at the rate prescribed for his equivalent substantive rank as from the date of his acting appointment, provided that he satisfactorily fills such vacancy for a period of not less than 21 days.

Approval was also given for payment to be made, in exceptional circumstances, when a member is promoted to acting rank in excess of the establishment. Regulations are to be framed defining the conditions under which acting rank, with pay, will be granted.

A statement is to be submitted at the end of three months showing the effect of the application of this regulation in the case of acting promotions made in Australia.

Secretary.

PRIME MINISTER.

Navy
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Army
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MINUTES

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WAR CABINET MEETING.MELBOURNE, 17th SEPTEMBER, 1940.FULL WAR CABINET.

PRESENT: The Rt. Hon. R.G. Menzies, K.C., M.P., Prime Minister and Minister for Defence Co-ordination.
 The Hon. A.G. Cameron, M.P., Minister for Commerce and Minister for the Navy.
 Senator the Hon. P.A.M. McBride, Minister for the Army and Minister for Repatriation.
 The Hon. P.C. Spender, K.C., M.P., Treasurer.

(514) AGENDUM No. 207/1940 - REPORTS FROM BOARD OF BUSINESS ADMINISTRATION ON MATTERS CONNECTED WITH THE ARMY ADMINISTRATION.

War Cabinet noted the remarks of the Military Board on the series of reports and recommendations by the Board of Business Administration, which were the subject of a memorandum of 22nd August, 1940, addressed by the Prime Minister to the Minister for the Army. The following observations were made by War Cabinet on each subject :-

- Army*
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1937.
- (i) Bicycles for Military Forces - Rate of Hire. The criticism of the Business Board related to the rate of hire of bicycles as prescribed by Financial Regulations, namely 2/- per day (14/- per week) plus 1d per mile for each mile travelled.

Persons called up for three months' training could therefore, under these conditions, purchase a bicycle at Government expense, as indicated by the Business Board. It was noted that approximately eleven months elapsed before the hire rate was amended.

The Business Board had also expressed the view that the new rate of 5/- per week was excessive, and asked to be furnished with information as to the grounds on which the new rate was based.

- (ii) Prevention of Waste - Poster Suggestion by N.S.W. Business Administration Committee. Though the Military Board do not agree with the Prime Minister's view that the drawings in the Army poster ridicule the salvage campaign, this is considered by War Cabinet to be a matter of opinion.
- (iii) Rations drawn for men on leave. No attempt has been made by the Military Board to enquire into the report of the Inspector-General of Administration on the investigations carried out by him at Puckapunyal and to ascertain who was responsible for overdrawing rations for men on weekend leave, with the consequent waste and illicit traffic in foodstuffs that had sprung up. It is understood that as the result of a further visit of inspection towards the end of July, the practice of drawing rations for personnel on weekend leave was discontinued.

2.

Details of the reports by the Inspector-General of Administration are to be furnished to the Military Board, and, where negligence is proved, appropriate action is to be taken.

- (iv) Subsistence Allowance. The payment of subsistence allowance is to be investigated by the Treasury Committee in respect of the conditions of payment, having regard to active service conditions, the practice of the last war, and the relation of the machinery necessary for payment to a minimum period for which payment should be made.
- (v) Stonnington Convalescent Hospital. It was noted that the Military Board agreed that the military staff employed at Stonnington Red Cross Hospital and Convalescent Depot was excessive, and that steps had been taken to adjust the matter.
- (vi) Web Equipment and Gaiters.- Provision for the Army. The Business Board recorded views on four points of the Army submission :-

- (a) Proper enquiry had not been made regarding the possibility of supply from England.

The Military Board reply does not indicate that this action was taken, whereas supplies were almost immediately available in England.

- (b) The present and potential capacity of Australian industry had not been fully investigated.

The Military Board reply is that the Department of Supply and Development advised that the Elastic Webbing Co. were the only possible manufacturers in the Commonwealth of web equipment and gaiters.

The Business Board was readily able to ascertain that several Australian firms could manufacture the wide material which is the lighter and main component of gaiters, haversacks, packs and the like, and that one firm had ordered 21 looms for making the heavier, narrower materials.

- (c) The instructions in regard to avoidance of purchase from a non-sterling country had not been given due weight.

The Military Board claims that the considerations in its replies under (a) and (b) justified purchase in a non-sterling country. However, the proposal to purchase from a non-sterling country was made without due enquiry as to availability from the United Kingdom or as to possibility of local manufacture.

- (d) Proper enquiry had not been made regarding the basis of provision of Decontamination Reserves.

The Military Board reply is that the provision of Decontamination Reserves was based on a War Office letter dated 13th July, 1939. Further reference is made to this question under item (vii).

3.

- (vii) Decontamination Reserves of Clothing and Web Equipment. It was noted that when the Business Board on 9th August, 1940, notified the Department of the Army of the cablegram advising the lower percentages of decontamination reserves, the Department of the Army telegraphed to London for confirmation and received a reply reading :-

"These percentages apply all theatres. Reserves are based on operational requirements and do not apply only to United Kingdom."

- (viii) Surgical Gauze. It was noted that the Business Board at no time concerned itself with the quality of gauze, which was a matter of medical opinion, its sole objection being to the proposed purchase through local agents.

The Army proposed to purchase 928,080 yards of gauze through a local agent at a cost of £A.14,769, while the same gauze could have been purchased through the High Commissioner for less than £A.11,500.

All negotiations in regard to price and quality of gauze were made by the Medical Equipment Control Committee and not by the Business Board.

Although it was fully aware that some 6,000,000 yards of other quality gauze were available in the United Kingdom, the Medical Equipment Control Committee, under the chairmanship of Colonel Sir Alan Newton, recommended the purchase of 3,000,000 yards of B.P.C. standard gauze through the High Commissioner, London, at a cost of £A.21,000. The Director-General of Medical Services endorsed the order that B.P.C. gauze "is adequate for surgical requirements."

- (ix) Conclusion. The Military Board's observations in regard to the remarks of the Prime Minister on the general standard of Army administration reflected by these papers, were noted for further consideration.

(515) AGENDUM No. 201/1940 - PURCHASE OF FOLDING BOATS BY THE DEPARTMENT OF THE ARMY.

War Cabinet noted the Board of Business Administration report on its enquiry into the arrangements for the purchase of folding boats from General Motors-Holdens, Adelaide, by the Department of the Army. It endorsed the observations of the Business Board on the incorrect procedure that had been followed, and observed that the Master-General of the Ordnance had personally assured the Business Board that steps had been taken by him to ensure that in future the prescribed system regarding procurement of stores is followed.

This matter was noted for further consideration in conjunction with Minute No. (514).

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(516) GARRISON BATTALIONS - SICK LEAVE CONDITIONS.(Previous reference - War Cabinet Minute No. (506)).

Army
Treasury

With reference to Minute No. (506), recording that the above matter is to be dealt with by an Agendum submitted by the Minister for the Army, it was decided, in view of urgent representations made on this subject, that the Minister for the Army should submit his proposals to the Prime Minister for consideration and decision.

(517) SUPPLEMENT No. 2 to AGENDUM No. 176/1940 - PURCHASE OF MECHANICAL VEHICLES FOR TRAINING PURPOSES FOR THE AUSTRALIAN MILITARY FORCES.(Previous reference - War Cabinet Minute No. (455)).

War Cabinet approved of the following :-

- (a) The immediate purchase of the following mechanical vehicles for training purposes for the Australian Military Forces :-

Vehicle	No.	Estimated Cost
Cars	60	17,100
Vans, 15-cwt.	161	52,325
Vans, 1-ton	710	276,250
Lorries, 30-cwt.	814	341,880
Lorries, 3-ton	151	75,500
Tractors, medium artillery	18	36,000
Tractors, field artillery	72	57,600
Ambulances	14	6,720
Initial requirements of spare parts		85,000
Vehicle outfits		15,000
Contingencies		6,625
Total	2,000	£970,000

- Army*
Treasury
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- (b) That, if the number of vehicles of the desired types are not immediately available in Chevrolet and Ford types, other suitable commercial types immediately available should be purchased to the extent necessary, provided that sufficient numbers of spare parts of any one particular type of vehicle are available to meet the requirements of a Military District or a Formation.

The Minister for the Army explained that the above proposals will provide for 50 per cent. of the training scale for three Divisions in camp at the one time.

(518) COMMAND OF THE 8th DIVISION, A.I.F.(Previous reference - War Cabinet Minute No. (508)).

N.A.

With reference to the consideration given to this appointment (Minute No. (508)), it was decided to await the views of the G.O.C. of the Australian Army Corps before taking a decision.

5.

(519) FUND FOR RELIEF OF SUFFERERS FROM LONDON AIR RAIDS.

Treasury
It was decided to make a direct contribution of £50,000 from the Commonwealth Government for the relief of sufferers from the air raids on London.

(520) PROVISION OF MECHANICAL TRANSPORT VEHICLES FOR THE A.I.F. - MOTOR CYCLES.(Previous references - War Cabinet Minutes Nos. (466) and (499)).

Army Treasury S D B 41319
With reference to the War Cabinet decision in Minute No. (466)(ii), that the action of the Director of Mechanization in ordering Royal Enfield motor cycles directly from Westhazell Motor Cycles Ltd., without following the regular procedure, did not constitute a contract between the Commonwealth and the Company, the Minister for the Army stated that, following the conclusion of the War Cabinet meeting on 17th September, he had consulted the Minister for the Navy and the Treasurer and it was agreed that the order for 1,075 motor cycles placed with this Company should stand, subject to the conditions of contract being negotiated by the Contracts Board of the Department of Supply and Development.

Secretary.

PRIME MINISTER.

HEAVY BOND