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WAR CABINET.

PREFABRICATED (PERMANENT) TIMBER HOUSES FROM SWEDEN.

MEMORANDUM BY THE MINISTER OF RECONSTRUCTION.

1. I desire authority for the Minister of Works to purchase from Sweden up to 30,000 prefabricated timber houses of a type which would be suitable for permanent dwellings, especially in rural districts.

2. The problem of securing adequate housing in rural areas is causing grave concern to the Minister of Health, the Secretary of State for Scotland and the Minister of Agriculture. There is already an acute shortage, and this will be accentuated after the war as (a) the production of more live-stock and live-stock products, which will be necessary if agriculture is to help our foreign exchange position, will entail more labour, and (b) we shall want to train numbers of ex-Servicemen for agricultural and rural pursuits.

3. The temporary (prefabricated) bungalows are in plan and design more suitable for urban areas, and the same is true of the temporary houses we may obtain from the United States on Lease-Lend. It is not practicable to develop a special temporary bungalow suitable for the rural and agricultural population, and the erection of permanent houses of normal construction in rural areas is likely to be a slow business.

4. In Scotland timber houses have been erected in urban areas between the wars and it is the intention of the Secretary of State, if Swedish timber houses become available, to arrange for the erection of a proportion of them in urban areas.

5. It seems likely that, within the first year after the reopening of sea communications with the Baltic, we could obtain from Sweden up to 30,000 prefabricated timber houses. At £240 a house f.o.b.,\* the total amount to be paid to the Swedes would work out at rather more than £7,000,000; and a proportion of this represents the cost of timber which would be used internally whatever the outside fabric of the house.

6. These houses are permanent and have a life of sixty years. They would be sold to local authorities under financial arrangements appropriate to permanent houses.

7. One of the advantages of importing Swedish prefabricated houses is that Swedish labour can now, before the end of hostilities, be employed in meeting our requirements, whereas there is comparatively little that we can do in this country while hostilities last.

8. The Chancellor of the Exchequer, with whom I have been in communication, has felt obliged to oppose this proposal on exchange grounds. He has pointed out that the exchange position in the next few years will be critical and we shall not avoid a sharp fall in our standard of living unless, in addition to increasing our exports, we concentrate our import programme on essentials, in the

\* The total cost per house erected in this country would be about £800

main food and raw materials. He therefore feels bound to oppose the import of manufactured goods which we can make in this country—even though this should mean, as in this case, a delay in meeting urgent needs.

It is, however, relevant to point out that, unless we can make provision for a rapid increase in the number of rural houses available for agricultural workers, the Minister of Agriculture and Fisheries doubts whether it will be practicable for agriculture to make the contribution to our foreign exchange problems which otherwise he hopes will be possible.

9. In these circumstances I submit the issue for decision by the War Cabinet.

W.

4, Richmond Terrace, S.W. 1,  
14th December, 1944.



