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## WAR CABINET.

REPORT ON THE LIQUIDATION OF THE MINISTRY OF  
INFORMATION.

1. BY a minute of the War Cabinet (501, Minute 11), amended by a subsequent letter of the 20th November from the Secretary of the War Cabinet, I was appointed Liquidator to wind up the work of the Ministry of Information, and to effect the transfer to other Government departments of such functions of the Ministry as it was desirable to retain. I was instructed to complete the work and subsequently report to the War Cabinet upon the action taken.

2. I immediately took steps to cancel all schemes of the Ministry, to wind up existing contracts, and to give notice to all officials at home and abroad. The 31st December, 1918, was fixed as the date on which the existence of the Ministry should determine.

3. A number of activities which were concerned purely with war propaganda were at once brought to an end. The chief of these were the Publications Department, including the issue of papers in foreign languages; the taking of still photographs and cinema films in the field; and the extensive Facilities Department for entertaining visitors from other lands. The section dealing with hospitality to American troops in Britain was also closed at once, for, although the War Office was most willing to continue the work, it was found that, since existing camps were being evacuated and no further troops were being brought from France, the reason for it had departed.

4. I entered into negotiations with the Foreign Office, which was anxious to take over certain sections dealing with foreign countries as a nucleus of a Propaganda Department under its auspices, to continue, at any rate, till the signature of peace. As a result, it was arranged that the following sections should be taken over by the Foreign Office, and should work in future under Sir William Tyrrell:—

- (1.) France.
- (2.) Russia.
- (3.) America.
- (4.) Central Europe, Holland, and Belgium.
- (5.) Switzerland and Italy.
- (6.) Spain, Portugal, and South America.
- (7.) The Near and Middle East.
- (8.) Wireless and Cables.
- (9.) The Library.

These sections, which, for the most part, constitute a regrouping of the old "National" sections of the Ministry of Information, were largely cut down as compared with the former establishment, and many heavy items of expenditure, such as the publication and subsidising of newspapers, were abolished. Two branches, those dealing with Italy and the Central Powers, were taken over from Lord Northcliffe's organisation at Crewe House. An officer has been appointed under the American section to deal with the entertainment of visitors from abroad.

This new Propaganda Department of the Foreign Office provides an organisation which it is thought will be of assistance to the British delegates at the forthcoming Peace Conference, and can, if so desired, form the nucleus afterwards of a Propaganda Department, should similar activities on the part of our allies or our late enemies make such an undertaking desirable. The expenditure of the department, which will consist mainly of salaries and the cost of the cable and wireless service, is at present under

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discussion between the Foreign Office and the Treasury, and the department will come upon the Foreign Office charges as from the 31st December. Till that date the continuance of the work has been paid for by the old Ministry of Information. The officer appointed by the Foreign Office to take charge of the new department entered upon his administrative duties as from the 1st December, and the department was transferred to its new quarters in Horrex's Hotel on the 12th December. On that date the Howard Hotel was cleared, so far as the Ministry of Information was concerned, with the exception of the small staff required for liquidation purposes.

5. This transfer to the Foreign Office brought the main administrative work of the Ministry to a close. There remained one or two special branches which it seemed desirable to continue if a home could be found for them:—

(a.) The work of the old Cinema Department fell into two parts: that managed on behalf of the Ministry by the Topical Film Company, which dealt with all official films in this country; and the various agencies of the Ministry abroad for the distribution of the propaganda films. Arrangements have been made by which the latter work will be brought to an end, and the contract with the Topical Film Company has been cancelled. The Ministry, at the time of making the contract with the Topical Film Company, had taken over, on a purchase basis, the activities of the War Office Cinematograph Committee, which were transferred to the Topical Film Company and managed by that company. The transaction has been reversed by re-selling to the War Office Cinematograph Committee, who relieved us on the basis of purchase and sale of all our interests in that direction.

(b.) The Photographic and Art sections, which are financially profitable concerns, have been handed over with the assent of the Treasury to the Imperial War Museum, who will continue the work. By this arrangement the valuable war records accumulated by the Ministry will go to the department to which they naturally belong.

(c.) The Commercial Intelligence Bureau at Madrid, organised by the Ministry, will be transferred to the Federation of British Industries as from the 1st January, 1919.

6. All the ascertained financial liabilities of the Ministry have been settled. It is inevitable, however, that claims must continue to be received for some months, and returns are due also on behalf of various cinematographic, photographic, and literary undertakings owned by the Ministry. Moreover, there is still, in various foreign branches, a certain quantity of material in the shape of films, photographs, &c., which will have to be disposed of. In these circumstances it was necessary to appoint a Receiver who could deal with such incomings and outgoings. The Treasury have sanctioned the appointment of Mr. R. W. Needham, who is thoroughly familiar with the work of the Ministry, and will be responsible to Mr. Stanley Baldwin at the Treasury. Mr. Needham will have the assistance of three accountants of the old Ministry, and as he will work in close connection with the new Foreign Office Propaganda Department he will have access to all the records. These records, except those of the Cinematograph, Photographic, and Art Departments, which follow them in the transfer, will remain intact in the new Propaganda Department of the Foreign Office at Horrex's Hotel until such time as all financial questions are settled and papers of only temporary interest can be destroyed.

7. In accordance with the Treasury ruling, all officials receiving less than 160*l.* a year were given a month's notice, and those receiving a higher salary a month's notice and a month's warning. This involved the payment of all salaries under 160*l.* up to the 31st December, save in the case of officials who had resigned or had already been transferred, and of salaries over 160*l.* to the 15th January.

8. The following is the position of the Vote of Credit at the date of final liquidation:—

The estimate for a year's working from the 1st April, 1918, was 1,200,000*l.*

Payments made by the Ministry from the 1st April, 1918, to the 30th November, 1918, amounted to 560,476*l.* 17*s.* 2*d.* The estimate of payments for December is 85,030*l.* The various imprests stand at 107,000*l.* The expenditure of the Ministry to the 31st December, 1918, therefore, amounts to 752,506*l.* 17*s.* 2*d.*

The receipts of the Ministry from the 1st April, 1918, to the 30th November, 1918, amounted to 64,891*l.* 8*s.* 4*d.*; the estimated receipts for December are 5,000*l.* making a total of 69,891*l.* 8*s.* 4*d.* The deduction of receipts from expenditure leaves an expenditure of 682,615*l.* 8*s.* 10*d.* To this figure must be added a claim for reimbursement by the Foreign Office to the extent of 61,000*l.*

The total expenditure of the Ministry to the 31st December, 1918, that is, for three-fourths of the working year, amounts, therefore, to 743,615*l.* 8*s.* 10*d.* It will be seen that the Ministry of Information during its term of existence has kept well within its estimates.

9. I wish to place on record the services of the various gentlemen who, being volunteers and under no obligation to remain, most kindly consented to stay on and assist me in the winding up of the Ministry. I have to mention specially the work of Mr. W. E. Stavert, of the Finance Department; Mr. C. W. Dawkins, of the Contracts Department; Mr. Eric Hambro, who had charge of Scandinavia, Spain, and South America; Colonel C. G. Bryan, who was head of the American "National" section; Mr. J. M. Fraser, who was in charge of the Dutch section; Sir William Jury, head of the Cinematograph Department; and Mr. A. S. Watt, who has acted as adviser to the Publications Department.

JOHN BUCHAN.

*December 20, 1918.*