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CABINET

THE QUEEN'S SPEECH ON THE PROROGATION OF PARLIAMENT

Note by the Lord President of the Council

I circulate, for the consideration of the Cabinet, a draft of The Queen's Speech on the Prorogation of Parliament. Business which has not yet been completed is shown in square brackets.

T. F. P.

Privy Council Office, S. W. 1.

3rd October, 1969
THE QUEEN'S SPEECH ON THE PROROGATION OF PARLIAMENT

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS -

1. My Husband and I were glad to welcome to this country the President of the Italian Republic and the President of the Republic of Finland. We had the great pleasure of visiting Brazil, Chile and Austria.

2. My Government have pursued their efforts to promote through the United Nations a settlement to the dispute between the Arab States and Israel.

3. My Ministers have contributed fully to the tasks of the North Atlantic Alliance. They have continued to work for the relaxation of tension with the countries of Eastern Europe and to seek their co-operation in trade and other practical matters.

4. My Government have maintained their application for membership of the European Communities.

5. My Ministers have welcomed the talks in Paris between all the major parties involved in the Vietnam conflict and hope that they will soon make real progress towards peace.

6. My Government have ratified the Treaty on the Non-Proliferation of Nuclear Weapons and have striven for further progress on arms control and disarmament. In particular they have put forward proposals for a complete ban on biological methods of warfare.

7. My Husband and I were pleased to welcome to this country Heads and Representatives of Commonwealth Governments for the Commonwealth Prime Ministers' Meeting. The Meeting recognised the special ties of co-operation and understanding that link member countries of the Commonwealth and which My Government in the United Kingdom have continued to further.

8. New constitutions have been introduced in the Commonwealth of the Bahama Islands and in the Turks and Caicos Islands.
9. My Ministers have again sought a return of constitutional rule in Rhodesia in accordance with the multiracial principles approved by Parliament. To that end they have maintained political and economic sanctions under the terms of the United Nations Security Council Resolution of 29th May 1968. The Governor of Southern Rhodesia announced his resignation on 24th June after receiving My permission to do so. My Government subsequently ordered the closure of the British Residual Mission in Salisbury and Rhodesia House in London.

10. My Government have been much concerned by the continuing conflict in Nigeria. They have helped with the relief of suffering and starvation and they have contributed to the search for a peaceful settlement.

11. Further progress was made towards co-operative defence arrangements between our Commonwealth partners in South East Asia, following upon My Government's decision to withdraw British forces from Malaysia and Singapore by the end of 1971.

12. The situation in Northern Ireland has caused My Ministers deep concern. My Forces have carried out their duties there with exemplary steadiness. My Ministers are doing all in their power to assist the Northern Ireland Government in bringing peace and reconciliation to the Province.

MEMBERS OF THE HOUSE OF COMMONS

13. I thank you for the provision which you have made for the public services.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

14. My Government's first aim has been to strengthen the economy so as to achieve a continuing substantial surplus in the balance of payments. The policies which they have pursued have brought about a great improvement in the past year.

15. My Ministers have taken part in international discussions leading to the decision last month to activate the scheme for Special Drawing Rights.

16. An Act was passed to make further provision for the introduction of decimal currency in 1971.
17. A Commission on Industrial Relations has been appointed to examine and promote improvements in the machinery for collective bargaining.

18. Further progress has been made in regional economic development, and measures have been announced for assistance to industry in selected intermediate areas.

19. My Government have put forward proposals to help the Lancashire textile industry take its place once again in the forefront of British industry.

20. An Act has been passed to assist and encourage the development of tourism in Great Britain.

21. Legislation has been passed to integrate public transport in London under local government control.

22. An Act has been passed to establish a central system of driver licensing and of vehicle registration and licensing.

23. Legislation has given my Inspectors of Mines and Quarries and the appropriate local authorities new powers to ensure the safety of tips of mine or quarry refuse.

24. An Act has been passed to convert the Post Office from a Department of State to a public corporation.

25. My Government have reviewed the contribution of agriculture to the national economy and have announced an extended programme of selective expansion in the interests of import saving.

26. Action has been taken to implement the recommendations of the Committee of Inquiry on Foot and Mouth Disease, and codes of practice for the welfare of farm animals have been approved.

27. An Act has been passed for assisting the deep sea fishing industry and for the policing and conservation of fisheries.
28. Provision has been made for improvements in the pensions and benefits of the national insurance and supplementary benefits scheme and in war pensions. Legislation has provided for contributions to the national insurance scheme to be increased and to be related more closely to earnings, and proposals have been published for new schemes of national superannuation and social insurance based on contributions related to earnings.

29. An Act has been passed amending the law in England and Wales relating to children and young persons.

30. Legislation has been passed to enable the United Kingdom to accede to the United Nations Convention on genocide.

31. Provision has been made for appeals by Commonwealth citizens and aliens against decisions taken in the exercise of immigration control.

32. An Act has been passed to raise the limit of Government expenditure on building the National Theatre.

33. I was pleased to grant a Charter of Incorporation to the Open University and thereby to launch a significant and original venture in higher education.

34. Legislation has been passed to give greater encouragement for the repair and improvement of older houses and their environment.

35. An Act has been passed to provide financial assistance for urban areas of special social need.

36. Legislation has been passed to modernise the Scottish Town and Country Planning system, and to bring up to date the law relating to housing and education in Scotland.

37. I have appointed a Commission on the Constitution.

38. The Civil Service Department has been established and steps have been taken to set up a Civil Service College.

39. Legislation has provided for increased pensions for retired members of the public service and their dependants.
41. An Act has been passed to make special arrangements in relation to the review of parliamentary constituencies in the light of impending changes in the structure of Local Government.

42. Legislation has reduced the age of majority to eighteen. The voting age has also been reduced to eighteen, and other reforms have been made in electoral law.

43. Further progress has been made in the systematic reform of the law, including that relating to the succession rights of illegitimate children, the jurisdiction of the county court, the trial of personal injury cases, and real property. Steps have been taken to repeal obsolete statutes and improve the form of the Statute Book.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

43. I pray that the blessing of Almighty God may attend you.
3rd October, 1969

CABINET

REPORT OF THE ROYAL COMMISSION ON LOCAL GOVERNMENT IN SCOTLAND

Memorandum by the Secretary of State for Scotland

Statement of Government Attitude

When the Report of the Royal Commission on Local Government in Scotland was published on 25th September, a Press announcement was made from the Prime Minister's Office thanking the Commission for their work, and promising urgent study with early consultations. As soon as Parliament resumes, it will be necessary to supplement this announcement with a preliminary statement of the Government's attitude to the Report.

2. Since the basic findings of the Scottish Commission are the same as those of the English Commission - that local government needs major rationalisation, that the number of executive authorities must be radically reduced, and that the division between town and country should be ended - this statement can suitably be on the same lines as the statement made by the Prime Minister when the English Report was published. A draft of such a statement is annexed; it will be considered by the Ministerial Committee on Local Government Reorganisation on 6th October, and any amendments agreed by the Committee will be reported orally to the Cabinet.

3. I attach particular importance to explicit recognition at the outset that there may be differences between the patterns finally adopted for Scotland, England, and Wales; and the penultimate paragraph of the draft statement seeks to make this clear. It is I think more appropriate for this to be said by the Prime Minister than by a Minister particularly associated with one of the three countries, and I have proceeded on this basis. I hope it will be possible for him to make the statement when Parliament resumes on Monday, 13th October, when I have in any event to answer a question by Mr. Gordon Campbell seeking a statement of this kind.

W.R.

Scottish Office, S.W.1,

3rd October, 1969

SECRET
With your permission, Mr Speaker, I wish to make a statement on the Report of the Royal Commission on Local Government in Scotland which was published, together with a short version, on 25 September.

Hon. Members have by now had an opportunity to study the report, and will have been impressed by the comprehensive treatment which the Commission has given to this important and complex subject. Lord Wheatley and his colleagues have already been thanked by the Government for their work, and I am sure that this House will also wish to acknowledge its great indebtedness to them.

The structure of Scottish local government has evolved over many centuries. The earliest of the burghs received their royal charters in the first half of the twelfth century; and since then the system has developed and expanded in piecemeal fashion as population increased and local authorities were given responsibility for the provision of new services. Reorganisation Acts of 1889 and 1929 laid the foundation of the present structure, and few would claim that it can now deal adequately with all the demands which are made upon it.

The Report proposes to replace the present system by a two-level structure, consisting of 7 regional and 37 district authorities: these 44 authorities would assume the functions of the existing 430 county, town and district councils. This
A proposal is made in order to satisfy two essential requirements: first, the need for authorities with sufficient resources and power to enable them to provide services effectively; and secondly, the need for local people to understand and to feel involved in the operation of the democratic process. The Commission recommends that the regional authorities should exercise the major functions with the heavy expenditure, including strategic planning, transportation and roads, housing, education, the personal social services, and the police and fire services; and that the main responsibility of the district authorities should be to plan and develop the local environment. It proposes also that, at a more local level, communities which so wish should be able to form community councils to express local opinion and to provide certain local facilities.

On the major principles the Commission are unanimous. Two Commissioners (the Hon. Members for East Renfrewshire and Inverness) dissent from the majority recommendation about district authorities. They believe that local planning should be the responsibility of the regional, and not the district, authorities, and that if this were accepted there could be many more than 37 second-level authorities. There are also reservations about the status to be given to Shetland, Orkney and the Western Isles.

The Government welcome the Commission's fundamental approach to the problems and the broad objectives for local government which it has stated. They accept that major rationalisation of local government in Scotland is necessary; that this must involve a
radical reduction in the number of authorities with executive powers; and that the division between town and country should be brought to an end. We agree with the Commission that it is vital that Scottish local government should enjoy greater status and responsibility than it does now, and that it should be so reformed as to enable central Government to give local authorities more freedom and power.

What the final pattern should be cannot be settled without further consultation. The Secretary of State has already invited comments from all interested bodies. The process of consultation will be thorough, although we appreciate the importance of keeping the period of uncertainty to a minimum. Our objective is to introduce comprehensive legislation as soon as possible. It is our aim to complete in the early part of next year our consultations on the Commission's proposals for the basic structure and division of functions. We intend to announce decisions on these basic questions before proceeding to the further consultations that will be necessary on the more detailed recommendations, concerning for instance the safeguarding of staff interests and the precise definition of boundaries.

Proposals for the reorganisation of local government have now been made for Wales, England and Scotland. There are differences between these proposals. This is not unexpected because of the differences between the three countries, for example in their history, geography and distribution of population, and our final decisions in each case will have full regard to the particular circumstances of the country to which they relate.

For Scotland the Royal Commission's Report presents us with a unique opportunity to shape a large part of the country's future. It is an opportunity which the Government for their part welcome and accept.
G(69)128

3rd October, 1969

CABINET

LOCAL GOVERNMENT REORGANISATION IN WALES

Memorandum by the Secretary of State for Wales

The Minister of Housing and Local Government has been asked to consider the implications for England if we were to introduce in the 1969-70 Session a Bill to reorganise local government in Wales on the lines of the White Paper "Local Government in Wales" i.e., to create a system of six county councils, 35 district councils and three county boroughs. I understand that he foresees the following main difficulties:

(a) There would be embarrassment for English Departments in negotiating a Maud-type unitary system based on authorities of not less than 250,000 population if Wales were to legislate for a two-tier system with authorities of smaller size than Maud's minimum.

(b) The retention of three county boroughs in Wales would be embarrassing since it would conflict with the principle of joining town and country.

In the light of this, he suggests that I should reconsider my proposals at least for South Wales and that The Queen's Speech should contain no greater commitment than that studies are being pressed forward in reorganisation in all three countries of Great Britain. This suggestion presents me with serious difficulties and I would like to comment on his propositions.

The embarrassment to England if Wales has two tiers and some authorities of less than 250,000

2. I make two points here. First, it has been implicit ever since we decided to have a Royal Commission for England and to publish separate proposals in a White Paper for Wales that we were agreeable to reorganisation in the two countries proceeding on different lines. I cannot see any necessary embarrassment if Wales, England and Scotland each adopt different solutions best suited to their own circumstances. Indeed
at the Local Government Reorganisation Committee last month there was
general agreement that so long as there was a common philosophy of
approach it was right that the local government systems of all three
countries should differ having regard to differences in historical tradition,
geography, population and communications.

3. Second, so far as North and mid-Wales is concerned there is no
doubt that what the White Paper proposes is the right and wholly
justifiable solution. A Maud-type solution simply will not work in these
areas since:

(a) All but Clwyd are very large in area compared with Maud's English
units and probably have worse communications.

(b) Unlike the Maud units of comparable area - Norwich and Norfolk,
York, Northumberland - they have no experience of large-scale
county government.

(c) Unlike these Maud areas they contain (except for Clwyd) no sizeable
towns to form centres for a unitary government. For day to day
purposes, the local authority services will need to be
administered from a number of small towns.

These are perfectly understandable differences of circumstances and I
cannot see that they need cause embarrassment to my English colleagues.

4. The difficulties as I see them arise only in South Wales and they
turn basically on the problem of the county boroughs with which I now deal.

Town and country

5. I recognise that the retention of the three County Boroughs of
Cardiff, Newport and Swansea is seen as an embarrassment by the English
departments since it might be held to perpetuate differences between town
and country. But every solution, to be viable, must meet the needs of the
area concerned and the topographical and social circumstances of
South Wales are exceptional. It is an area with a series of long valleys
with distinct separated communities which does not lend itself at all
readily to the socio-geographical unitary pattern proposed for England.
I have looked carefully at a variety of possible "Maud" type patterns for
South Wales but I have been unable to arrive at any which could in my view
be guaranteed to lead to a better and more acceptable system than the
White Paper.

6. None of the three towns is particularly large by English standards.
They certainly do not approach city region scale. Two of them have
recently had major boundary extensions. Moreover the proposal which
I am at present considering for a major growth point at Llantrisant using
New Town machinery would make it difficult at this time to draw a better
boundary between Cardiff and the valleys.
7. Whilst therefore I do not dissent from the general principle I believe that there is a good case for exception in South Wales and the extent of the exception is so limited as hardly to affect the issue in the large urban dominated areas of England. Nevertheless in order to minimise any embarrassment which my colleagues might feel, I should reluctantly be prepared to include provision in the Welsh legislation for me to review the boundaries of the three County Boroughs at a later date. There are obvious objections to introducing further uncertainty in the very legislation designed to bring a lasting solution; but if it would help my colleagues I would accept it.

8. I therefore feel entitled to ask my colleagues to accept that legislation on the lines of our White Paper for Wales need not be an embarrassment to them in their consideration of English and Scottish reorganisation; and to agree to my introducing a Bill on these lines in the next Session. It is essential that drafting work should start without delay if we are to have a Bill ready on time.

The implications of delay

9. As a Government we stated in our White Paper in 1967 that we had decided to proceed with the reorganisation therein described (rather than remitting it to the Royal Commission) because the need for early action was particularly urgent in Wales; and because the considerable work already done made it apparent that local government could be reorganised on lines which would secure its early strengthening.

10. In the intervening two years we have engaged in an exhaustive series of discussions with virtually every local authority in Wales and with the local authority associations. As a result preparatory work in the legislation is far advanced and this is widely known. Although there has never been any public commitment to legislation in 1969-70 there is general expectation that a Bill will be introduced next Session. If we do not now proceed we shall be exposed to widespread criticism and risk forgoing much of the goodwill that our efforts have won for us. To say that we cannot find time for a Bill will produce the certain response that despite all our protestations about concern for Wales, the need for urgent action and so on, when it comes to the point of acting, we have more important things to deal with. One short Act - the Welsh Language Act, 1967, will have been our only exclusively Welsh piece of legislation in this Parliament. Alternatively if we explain our failure to legislate in 1969-70 by reference to the need to study further the situation in South Wales where half the Welsh population live, we shall be told that at the end of the day the Government demand that Wales should fall in line with the recommendations of an English Royal Commission which had no knowledge of Wales, made no study of it and formulated proposals relating wholly to English conditions.
II. These are not agreeable alternatives. I am convinced that on every ground the sensible course is to proceed with a Bill on the lines of the White Paper in the 1969-70 Session. I invite my colleagues to agree to this course.

G.T.

Welsh Office, S.W.1.

3rd October, 1969
3rd October, 1969

CABINET

CONTINUANCE OF THE MURDER (ABOLITION OF DEATH PENALTY) ACT, 1965

Memorandum by the Attorney General and the Solicitor General

As agreed by the Cabinet on 25th September (CC(69) 45th Conclusions, Minute 3) the Lord Chancellor has asked us to submit advice on the question whether legislation extending the life of the Murder (Abolition of Death Penalty) Act, 1965 could be introduced during the latter part of the next Session if resolutions under section 4 of that Act were moved shortly after its commencement and were defeated in either House.

2. The basic rule, as stated at page 396 of Erskine May, is:— "No question or Bill shall be offered in either House that is substantially the same as one on which its judgment has already been expressed in the current Session". We understand that officials in both Houses take the view that it is out of order to introduce a Bill producing a result identical to that rejected on an earlier resolution. Thus if a resolution under section 4 of the 1965 Act to make that Act permanent were defeated at the commencement of next Session, it would be impossible to make it permanent by legislating in that Session. On the other hand, there would seem to be no procedural objection to a Bill extending the 1965 Act for a period of years.

3. One possibility which has been canvassed is that an amendment to the resolution under the 1965 Act might be moved in one House or the other in an attempt to provide for the extension of the life of the Act by a period of years, instead of making it permanent. We understand that such an amendment would not be ruled out of order in either House. If such an amendment were carried it might give rise to doubts about its legal effect. In such an important matter as this, in our view legislation would be necessary to put the matter beyond doubt. We have considered what form such legislation could take. If the resolution under the 1965 Act had been amended to provide for the extension of the life of that Act for a period of years, then it is likely that it would not be in order to introduce in the same Session a Bill making that Act permanent. This
is because a vote for the amendment to the resolution is in effect a vote against making the 1965 Act permanent, and the basic rule we have described above would apply. Another question is the effect of the passing of such an amendment upon the possibility of introducing legislation to extend the 1965 Act by a period of years. Provided that the Bill proposes a different period from that specified in the amendment to the resolution we can see no reason why there should be any procedural objection to such a Bill.

4. We have considered what amendments would be within the scope of a Bill to extend the life of the 1965 Act for a period of years. By analogy to the Expiring Laws Continuance Bill it would appear that amendments intended to revive the death penalty for particular categories of murder subject to it under the 1957 Act, or to revive it for other categories, or otherwise to alter the law of murder would not be admissible. Unfortunately the rules about scope are very difficult to apply with any degree of certainty, and the possibility cannot be ruled out of such an amendment being called if it is skilfully drafted.

5. Our conclusions are:

(1) If the resolution to make the 1965 Act permanent is rejected in either House it will be possible to legislate in the same Session to extend the life of that Act for a period of years, but not to legislate to make the Act permanent.

(2) If the resolution to make the 1965 Act permanent is amended by either House in an attempt to extend the Act for a period of years, it will be possible to legislate in the same Session to extend the life of the Act for a different period of years; and such legislation would, in that event, be necessary.

(3) A Bill to extend the life of the 1965 Act would be of limited scope, and amendments to it intended to restore the death penalty for categories of murder or otherwise to amend the law about murder would be likely to be ruled out of order.

F.E. J.
A. J. I.

Law Officers' Department, W.C. 2.

3rd October, 1969

-2-
3rd October, 1969

CABINET

1969 REPORT OF THE PUBLIC EXPENDITURE SURVEY COMMITTEE

Memorandum by the Minister of Overseas Development

In the discussion in Cabinet on 16th September about public expenditure in 1971-72 it was agreed (GC(69)43th Conclusions, Minute 3) that the difference of view between the Treasury and the Ministry of Overseas Development about the cost of continuing existing policy in the aid field would need to be considered as part of the detailed proposals for economies in 1971-72. The Chancellor of the Exchequer will no doubt be bringing proposals by officials to the Cabinet shortly. In the meantime I should like my colleagues to be aware of the position as I see it.

2. The Public Expenditure Survey Committee (PESC) figures indicate two different interpretations of aid policy for the early 1970s.

3. The Chancellor's version assumes that we should continue with our basic £205 million programme, in cash terms, plus one or two extra items that will decline during the period under review. This figure would mean an aid programme declining even in cash terms; declining even more in real terms; and getting further away from our pledge to reach aid totals of 1 per cent of Gross National Product (GNP).

4. My figures represent a gradual rise in aid as a percentage of GNP, consistent with reaching the 1 per cent target in the late 1970s.

5. The question at issue is whether we take our 1 per cent pledge seriously enough to make some modest progress towards it in the early 1970s or whether we are to slip further away from it.

Our pledges as a Party

6. Successive annual conferences over several years have identified the fight against world poverty as one of the major concerns of our Party in world affairs. There have been many references in policy statements to spending 1 per cent of our national wealth on aid to developing countries, and this was specifically pledged in our 1964 Manifesto.

-1-
In 1968 the Conference adopted the statement: "Britain: Progress and Change", in which world poverty was identified as one of the seven major issues in the 1970s. The recent Party Conference supported the National Executive Committee statement which called for an aid performance of 1 per cent of GNP by a date somewhere between 1972 and 1975.

Our pledges as a Government

We voted for the resolution at the Second United Nations Conference on Trade and Development in New Delhi last year which accepted a target for net financial flows to developing countries of 1 per cent of GNP (this includes private investment as well as official aid). We are committed by the resolution to use our best endeavours to this end.

I have of course had to speak on this subject several times at international conferences since the New Delhi Conference. I have always made it clear that Britain stands by the 1 per cent target but that the rate of our progress towards it must depend on our success in overcoming our balance of payments difficulties.

International pressure this year

For a number of reasons there will be increasing pressure during 1969 upon us and upon other donors to be more specific about reaching the 1 per cent target. For example:

(a) The 1970s have been designated by the United Nations as the Second Development Decade and in the preliminary discussions the developing countries are pressing for 1972 as the target date for reaching 1 per cent. Our Ambassador in Geneva has warned us of the "high risk of building up a serious measure of resentment" among developing countries if we cannot be more positive in our attitude.

(b) The international commission appointed by the President of the World Bank has just reported on the world development situation. It had a very high-level membership with Mr. Lester Pearson as the Chairman. Sir Edward Boyle was a member. The report identifies Britain as one of the countries who "have allowed their official aid to decline as a proportion of GNP in the 1960s and are far removed from the target". It recommends that all industrialised countries should provide resource transfers of at least 1 per cent of GNP as rapidly as possible and in no case later than 1975 and that official aid (excluding private investment) should reach 0.7 per cent by 1975 or shortly thereafter, but in no case later than 1980. This report has received very wide attention in the world Press and was welcomed by the Prime Minister in a statement on behalf of Her Majesty's Government.
(c) The Chairman of the Development Assistance Committee of the Organisation for Economic Co-operation and Development, reviewing the United Kingdom's performance in 1968, has said that the need for restrictive measures on public expenditure cannot any longer be accepted as a justification for limiting aid funds to a constant cash level, whose value is declining in real terms. [See extract attached]. In May he called on all donors to reach 1 per cent "at least by 1975".

(d) There will also be pressure from developed countries who have reached the target or who plan to do so shortly. France already exceeds 1 per cent; the Germans are on the point of doing so; Sweden and the Netherlands have said they are prepared to do so by 1972. In view of the mounting pressure this year, I would expect a number of other countries to follow suit.

11. The Chancellor's proposals for gross official aid flows which would count towards the target are as follows (All figures in this paragraph are in cash terms. Overseas aid is the only programme which is not adjusted annually for price increases. In real terms this means a reduction of £5-£6 million each year):--

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<td>200</td>
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As net figures (after deducting capital repayments of aid loans) these become:

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Taking the assumptions of Medium-Term Assessment Committee 1969 Basic Case I about the rate of growth of GNP and an optimistic view of private flows, the total flow as a percentage of GNP would be:

|       | 0.77 | 0.77 | 0.73 | 0.71 | 0.68 |

We should be getting further from our pledge each year.

12. In the PESC Report, I set out proposals as follows:

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On the best figures then available these proposals would have brought us in 1974-75 to 0.95 per cent of GNP. Since the PESC Report was prepared various figures have changed. Our total performance in
1968-69 was only 0-81 per cent lower than I had hoped. Furthermore, estimates of GNP in the years ahead have risen. These variations would require official flows larger than my proposals to reach 0-95 per cent in 1974-75.

13. This modest objective would itself be lower than the performance expected of us by world opinion, recipients and donors alike, but in the light of our general economic situation I have not increased my proposals. These would involve devoting to additional aid only a tiny fraction (0.7 per cent) of the expected increase in our GNP.

14. If our financial position improves rapidly we should make faster progress and aim at 1 per cent by 1975. But in any event we should make some progress, and not slip further behind as the Treasury propose.

Aid and the balance of payments

15. I accept that the balance of payments situation puts severe restraints on all public expenditure including overseas aid. But taking a long view I am convinced that aid benefits our balance of payments. I am sure that our balance of payments position would be worse today if we had had no aid programme in the last ten years, and that a rising programme in the next few years will lead to improvements in our balance of payments in due course. The following points are relevant:

(a) About two-thirds of our aid is spent on goods and services from Britain, i.e. only about £70 million a year goes across the exchanges.

(b) We get back about £60 million a year in repayment of capital and interest on old loans under the aid programme. Thus the net current cost across the exchanges is very small indeed.

(c) Trade follows aid, e.g. if we provide a factory, a harbour or a technical college overseas, we get future orders for spares and replacements; if we bring students and trainees to Britain they are likely to "buy British" when they become managers; if we provide tractors under an aid programme the recipient country may buy some of the same tractors with its own resources later on.

(d) We get export orders from the untied portions of other countries' aid. At present we provide about 7½ per cent of the global flow of aid, but we get nearly 12 per cent of the orders for goods imported by developing countries from developed countries.

(e) We shall particularly benefit from the point mentioned in (d) if there is an all-round increase in aid in the years ahead, i.e. if all major donors respond to the call to reach the 1 per cent target. We ought to join in the pressure on other donors to do this but our influence of course is bound to depend upon our own performance.
16. Public expenditure has increased since 1964 by 52 per cent, but the gross official aid programme has only increased by 8 per cent. This is the smallest increase of any department except defence. As a percentage of GNP our official aid performance has gone down from 0.53 per cent in 1964 to 0.42 per cent in 1968.

_is this the time?_

17. I accept that this is not the time for a public commitment that we will reach 1 per cent by any particular year.

18. But we are committed to publishing our five-year expenditure forecast and something must be written in for the overseas aid totals. We cannot avoid making a decision about 1971-72 and giving some indication of what we propose for 1972-73 and 1973-74. It is the purpose of the Public Expenditure Survey to do so.

19. Once the Survey figures are agreed it will be very difficult for me or for any future Minister to get them increased. The pressure is usually in the other direction!

**Political effects**

20. There is an "aid lobby" in this country of people influenced by OXFAM, War on Want, Christian Aid, etc. Their numbers are growing especially among young people. Most of them still believe in the basic sincerity of our intentions in this field and will accept our balance of payments situation as an excuse for slow progress. They will not accept it as an excuse for making no progress.

21. In particular the churches are now becoming much more involved. Christian Aid Week makes a bigger impact each year. An Episcopal Commission of the Catholic Church has issued a manifesto calling for 1 per cent of the GNP for the paying of Government aid, 1 per cent of the Church’s income to be spent on overseas aid and each individual to give 1 per cent of his own income for the same purpose.

22. A joint manifesto has just been issued by all the leading voluntary bodies in this field, calling for a 1 per cent aid performance by 1972.

23. In the House of Commons some of the best of the younger Labour Members of Parliament are keenly interested and articulate on this subject. They have expressed their concern in an interview with the Prime Minister.

24. Unless we take some steps forward all these people will recognise a growing contradiction between the Labour Party’s statements and the Labour Government’s performance. There will be growing disillusionment among concerned and intelligent people who rightly identify this issue as one of the most important of our time.
Conclusion

25. I therefore ask the Cabinet to agree to my proposals for aid expenditure as set out in paragraph 412 above.

R.E.P.

Ministry of Overseas Development, S.W.1.

3rd October, 1969
Extract from Comments of the Chairman of the Development Assistance Committee on the 1969 Aid Review of the United Kingdom

The key issue of course remains volume. Here I would first wish to make a retrospective observation on 1967 rather than the year under review. The provisional figures for 1967 which formed the basis of last year's review suggested that total United Kingdom flows had remained significantly above 1 per cent of national income. The revised figures now before us show that 1967 was the first year since the beginning of the Development Assistance Committee's statistical records that the United Kingdom's total flow to developing countries fell below 1 per cent of national income.

So far as 1968 is concerned your provisional figures suggest a recovery to above 1 per cent of national income. More significantly however your official flows again declined in relation to national income. The dollar figures, of course, reflected the devaluation of sterling later in 1967. But in part this brought the figures closer to their real value, although the change was an abrupt one. It would seem time to give serious thought to how and when the 1 per cent of Gross National Product target will be reached. The record of recent years does not encourage one to expect much of an increased contribution from the private sector.

Of course I understand the need for the Government to put limits on a broad range of public expenditures, including aid, in the interests of balance of payments recovery. It was certainly possible for the international community to support sympathetically the policy objectives and measures adopted both before and after devaluation to this end. Now, around two years later, we note that this programme of balance of payments recovery is behind schedule and that therefore the period of general restraint has to be maintained longer than had been hoped.

However, we also note that a dominant contributor to this delay in balance of payments recovery has been a failure - for reasons which it is not for this letter to comment on - of domestic expenditures, both public and private, to keep within the bounds prescribed. Aid disbursements have clearly borne more than a fair share of the burden of restraint. If, therefore, further restrictive measures are required, I feel that this in itself cannot any longer be accepted as a justification for limiting aid funds to a constant level, especially, of course, since a so-called 'constant' aid programme means a declining volume of "net" flows in "real" terms.
CABINET

NORTHERN IRELAND

Memorandum by the Secretary of State for the Home Department

I have now received a copy of the Report to the Northern Ireland Government of Lord Hunt's Advisory Board on the future of the Royal Ulster Constabulary and of the Ulster Special Constabulary. In view of the security issues involved I propose to report orally to the Cabinet on the recommendations it contains.

2. The two Governments have also received reports from four joint Working Parties. Three Working Parties have examined the extent to which the Government of Northern Ireland's present practice or pledged commitments adequately ensure -

(i) The promotion of good community relations by methods including the prohibition of incitement to religious hatred,

(ii) The avoidance of any discrimination in any form of public employment,

(iii) The fair allocation of houses by public authorities.

The fourth Working Party has assessed the economic and industrial prospects in Northern Ireland in the light of recent events.

3. I propose to visit Northern Ireland later this week to discuss what action should follow from these five Reports.

4. The Working Party on Community Relations (which also had advice from officers of our Race Relations Board and Community Relations Commission) have produced three Bills: one to establish a Commissioner for Complaints, to investigate maladministration by local authorities and public boards; one to establish a Community Relations Commission (on the model of our Commission); and one to deal with incitement to religious hatred. The first of these Bills has now been introduced and the second has been approved by the Northern Ireland Cabinet for early introduction. A Minister for Community Relations has been appointed. I understand that the
Northern Ireland Government want to press on with the appointment of the Commissioner and members of the Commission, together with their staff, in advance of the Bills completing their passage. The Working Party have also explored what to do about areas of discrimination outside the public sector, and have recommended Government initiative in prescribing anti-discrimination clauses in Government contracts, and in seeking the co-operation of trade unions and employers to eliminate racial discrimination in private employment. They have done a thorough job and, assuming their recommendations are acceptable to the Northern Ireland Government, there is no other major issue I shall need to press.

5. The Working Party on Public Employment have made a detailed review of measures which could be taken in the Civil Service, local government and statutory bodies. The senior Civil Service is almost entirely Protestant for historical reasons. The Catholics did not start coming into the Civil Service in any numbers until 10 to 15 years ago. Northern Ireland officials do not accept that discrimination is practised in the Civil Service but acknowledge that there is a thorough-going practice of discrimination in local authority recruitment and promotion especially among lower levels of staff.

6. The Working Party’s recommendations include the adoption of model codes of practice by local authorities and public boards (to be made available to employees and applicants for employment); and the appointment of senior officials to supervise the application of the code at lower levels. They recommend an appeals machinery for both recruitment and promotion complaints against local authorities and statutory bodies. This machinery will be within the purview of the Commissioner for Complaints, and the powers of the Parliamentary Commissioner for Administration will be extended to Civil Service staffing. The Northern Ireland Government had already set in hand arrangements to bring the machinery for Civil Service establishments work more in line with ours but the Working Party have also recommended using outside members on recruitment boards.

7. I have maintained close contact with the Northern Ireland Committee of the Irish Trades Union Congress, and I propose to find out what help they would be willing to give to ensure that appointments are made without regard to religion.

8. Apart from the appeals machinery, perhaps the most hopeful long-term proposal is the Working Party’s recommended study of a Public Service Commission to cover all employment in the public sector. I propose to endorse this. I also propose to stress the importance of ensuring that the new machinery operates - and is seen to operate - effectively with manual and unskilled posts, since it is in this area that complaints of discrimination have been most widespread and are not seriously challenged. Finally, since membership of the public boards themselves (which was outside the Working Party’s terms of reference) is so crucial to public confidence
in an impartial employment policy, I shall be inviting the Government to consider the idea of an advisory panel, of balanced composition, which could be consulted by Ministers, about prospective appointments.

9. There is another aspect of this in which my colleagues can help. United Kingdom Departments employ numbers of staff in Northern Ireland, and I should be glad if my colleagues would examine their Departments' appointment and staffing procedures in relation to offices in Northern Ireland, so that no-one can accuse us of discrimination. This is particularly important for the Post Office, in view of the large numbers of staff employed there, and I shall be in touch separately with the new Post Office Board about this.

10. The Working Party on Housing Allocation have examined the model allocation scheme which the Northern Ireland Government recommended to housing authorities during the summer and which is now being implemented by all but about six of the 65 housing authorities in the Province. They endorsed the scheme as broadly satisfactory in achieving an impartial method of allocation. But this leaves the question whether the Roman Catholic minority will have sufficient confidence in those who administer the scheme, and I asked our representative on the Working Party to ensure that this received detailed consideration. The Working Party have accordingly explored:

(i) Various measures which would leave responsibility for housing with the local authorities but provide for some form of supervision - e.g. legislation to allow the Northern Ireland Government to appoint Commissioners to take over the housing functions of authorities which are not performing them satisfactorily.

(ii) Legislation which would involve removing responsibility for housing from local authorities altogether, and giving them to the Northern Ireland Government or to the Northern Ireland Housing Trust (a statutory and impartial body which commands general respect).

11. Northern Ireland Ministers will probably argue that, as only about 10 per cent of housing authorities are implicated in discrimination charges, the allocation scheme and the appointment of a Commissioner for Complaints (who will be competent to consider complaints of maladministration in the allocation of housing) will be sufficient to give confidence. I do not accept this and I intend to ask that responsibility for housing should be transferred to the Northern Ireland Housing Trust. I recognise that a decision to transfer responsibility for housing would have implications for the whole future of local government in the Province and that it might be necessary to examine this much wider question at the same time. Important and controversial proposals have already been published by the Northern Ireland Government which would involve reducing the number of separately elected authorities from 73 to 17 authorities and the virtual removal from the new units of responsibility for health,
welfare, child care, education and public libraries. Northern Ireland
Government officials argue that responsibility for housing would raise
the question whether local government could continue in any recognisable
form at all. I believe this to be greatly exaggerated. Local authorities
would still deal with town and country planning, building bylaws, local
roads and street lighting, sewerage and drainage, traffic management,
cleansing and parks, among other things.

12. The Housing Trust at present owns 40,000 houses (local
authorities own 76,000), and the Trust has 30 regional offices
throughout Northern Ireland. It is therefore well-placed, with
a substantial additional effort, to extend its services to all public
house building and allocation throughout Northern Ireland. It is
reluctant to do so because it fears it will become involved in politics,
but if asked to take over, it will do so, subject to certain conditions.
The conditions are that it will remain independent of political influence,
both in the appointments of its Chairman and members and in subsequent
management; and that the takeover should not be for an interim period
(e.g. until the new local authorities come into existence in 1971). The
Trust would also want to choose its own staff for its extended functions
and not have to take over local authority staff now employed on this work.
It seems to me that these are eminently reasonable requirements.

13. I shall run into a great deal of trouble over this proposal, as it
would take away housing from the local authorities to which Northern
Ireland Ministers (and especially Mr. Faulkner) are committed. But
whatever system we settle for, it must be seen to be fair and give
confidence to the minority.

14. The Economic Mission have reported that in the short term
the disturbances have had less effect than might have been expected
on trade and employment; and virtually all the firms which suffered
damage are now back in production. The total bill for compensation
is put at £11 million. The longer-term effects are, however,
potentially very serious. Leaving aside the loss of tourist revenue,
the principal threat is to the prospect of attracting new industrial
development, upon which future economic progress largely depends,
and a consequent worsening of an unemployment rate which already
exceeds 7 per cent.

15. In this situation, the Northern Ireland Government propose
the following immediate measures:

(i) To introduce a scheme of free compensation to new investors
against the cost of any future riot damage, including
consequential loss. This would fill certain gaps in the
existing arrangements for statutory compensation and is
regarded as an essential step if there is to be any hope of
attracting new investment. Private insurance is unobtainable.
(ii) To raise the level of investment grants by 5 per cent for a period of three years.

(iii) To defer at any rate until 1971 the discontinuance of the Selective Employment Tax 7s. 6d. repayment.

(ii) and (iii) together would go some way to restore relative levels of inducement, which have been significantly eroded in recent years.

(iv) To initiate a £2 million programme of labour-intensive works on roads, forestry and land drainage - directed in particular at the peak unemployment areas of the West.

16. I would regard all these measures as more than justified in the light of the economic appraisal made by the officials of the seven Whitehall Departments who have been involved. I understand that the Chancellor regards the Public Expenditure Survey Committee consequences as manageable. As regards the compensation scheme, I would propose in any public announcement later this week to make clear Her Majesty's Government's continued intention to operate financial arrangements between the two Governments so as to cover the agreed capital requirements of the Northern Ireland Government.

17. The effectiveness of these measures is linked with the restoration of political stability and confidence. Without being unduly pessimistic, however, and even assuming an easing of tension, I doubt whether they will prove sufficient to hold the employment position, still less ensure an acceptable rate of future economic progress, and more work must be done on this problem.

18. Finally, we shall need to review the political and security position again. I suggest that we should do this after my return at the end of this week from my visit.

L. J. C.

Home Office, S.W.1.

5th October, 1969
6th October, 1969

CABINET

LEGISLATIVE PROGRAMME; SESSION 1969-70

Memorandum by the Lord President of the Council

The Future Legislation Committee has reviewed the programme for 1969-70 approved provisionally by the Cabinet in April (CC(69) 19th Conclusions) in the light of developments since then and the load on drafting resources. Policy decisions are still awaited on certain important Bills, and it is clear that the severe pressure to which drafting resources are already exposed will intensify in the coming months. Drafting is likely to be a more limiting factor than Parliamentary time.

Main Programme

2. Having considered the progress made with the Bills in the list provisionally approved in April and the various additions to the main programme which have since been approved or proposed, the Future Legislation Committee recommends that the main programme should consist of the following Bills:

- Agriculture
- Education (Comprehensive Schools)
- Safety and Health in Industry
- National Superannuation and Social Insurance
- Drugs
- Administration of Justice
- Family Law
- Electricity Industry Reorganisation
- Gas Industry Reorganisation
- Atomic Energy Act (Amendment)
- Merchant Shipping
- Assistance to Intermediate Areas
- Ports Reorganisation
- Local Authority and Allied Personal Social Services
- Equal Pay
- Investment Grants for Ships
- Trawler Safety
- Mineral Workings (Off-Shore Installations)
- Transport (London) Act, 1969 (Amendment)
3. Basically this is the April list; but Productivity Consultants and National Health and Related Services have been excluded, since neither is now wanted this Session; and we have omitted meantime (since policy is unlikely to be settled for some time) Registration of Employers and Self-Employed Persons in the Construction Industry, subject to review in the light of drafting resources and Parliamentary time once policy has been determined. We have added Equal Pay, Investment Grants for Ships, Transport (London) Act, 1969 (Amendment) and Trawler Safety (a short Bill late in the Session to contain provisions implementing the Holland-Martin Report which cannot be ready soon enough for inclusion in Merchant Shipping) and have transferred Mineral Workings (Off-Shore Installations) from the Second Reading Committee list.

4. Substantial progress has been made on the drafting of Agriculture, Education (Comprehensive Schools), Administration of Justice, Family Law, Merchant Shipping and Assistance to Intermediate Areas. All of these should be ready for introduction at or soon after the start of the Session. Drafting is in progress in most of the other cases, but cannot yet begin on Drugs, Local Authority and Allied Personal Social Services, Equal Pay or Trawler Safety.

5. There remain five important Bills whose inclusion in the main programme depends on decisions yet to be taken by the Cabinet. No drafting can be undertaken meantime and work on these Bills, if approved, will have to be done during the winter months when drafting resources will be most stretched. The Bills are Industrial Relations, Industrial Commission, Housing Rents, Civil Aviation and Local Government Reorganisation (Wales).

6. The Cabinet have already begun to consider policy on Industrial Relations and Industrial Commission and policy on Housing Rents can conveniently be considered in the same context. Policy recommendations on Civil Aviation will shortly be put before Cabinet. Local Government Reorganisation (Wales) has been under consideration in the Ministerial Committee on Local Government Reorganisation and is the subject of a separate recommendation on policy from that Committee.

7. The fact that policy decisions are still outstanding on these major topics creates serious problems for the management of the legislative programme and the allocation of drafting resources. The Future Legislation Committee concluded that it should be possible to find room in the main programme (in addition to a short Bill on Housing Rents if needed) for two - but probably only two - out of Industrial Relations, Industrial Commission and Civil Aviation. Local Government Reorganisation (Wales) would be a long Bill of about 100 clauses. Given drafting priority its preparation would occupy drafting resources for five months. It would overlap the busiest period in the Parliamentary Counsel's Office and might either suffer delay itself or impose delay on several other important Bills. The Future Legislation Committee took the view that its retention in the programme would necessitate a full reappraisal and even dropping of other Bills.
Contingent Bills

8. Of the Bills listed in April, it is now known that Guyana Republic and Coal will be required. Merchant Shipping Act (1894) Amendment has been added to the list.

Reserve Bills

9. The Future Legislation Committee recommends that the reserve list of Bills, to be drafted and introduced when opportunity offers, should consist of -

- Local Authorities (Goods and Services)
- Animals
- Industrial Training Act (Amendment)
- Radiological Protection

and that Water Resources Act, 1963 (Amendment), Compensation for Injurious Affection, Interpretation of Statutes and Resealing of Scottish Confirmations should be added if and when they secure policy approval.

Essential Bills, Second Reading Committee Bills, Supplementary Bills

10. These lists (as reproduced in the Annex to this paper) remain as provisionally approved in April, except that (i) Mineral Workings (Off-Shore Installations) has been transferred from the Second Reading Committee list to the main programme, (ii) Animals has been transferred from the supplementary list to the reserve list and (iii) Mineral Working Rights has been added to the supplementary list.

Conclusion

11. I invite my colleagues:

(1) To decide which of the Bills listed in paragraph 5 should be included in the main programme for 1969-70.

(2) Subject to their decision on (1) to agree that:

(i) the main programme for 1969-70 should consist of the Bills listed in paragraph 2;

(ii) the reserve list should consist of the Bills listed in paragraph 9;

(iii) the lists of essential, Second Reading Committee, and Supplementary Bills should be as set out in the Annex.

T.F.P.

Privy Council Office, S.W.1.

6th October, 1969
Essential Bills

Expiring Laws Continuance
Valuation for Rating
Housing (Scotland)
Water and Sewerage (Scotland)
Export Guarantees
Films

Second Reading Committee Bills

(Drafting has to take second place to drafting of main programme Bills; once they have been drafted, the Bills can be introduced as opportunity offers).

Education (Miscellaneous Provisions)
Diplomatic Privileges (Amendment)
Medical Act (Amendment)
Fire Precautions
Juries
Land Obligations
Mines and Quarries Act, 1964 (Amendment)
Local Borrowing Overseas
Bankruptcies and Companies’ Winding-up Investment Account
Bank Holidays (Amendment)
Building Societies

Supplementary List

(Bills to be prepared, as resources permit, against the possibility of prolonging the 1969-70 Session or introducing a short 1970-71 Session).

Public Enterprises (Management)
National Libraries
Registration (Births and Deaths) Bill
Reciprocal Enforcement of Maintenance Orders
Criminal Evidence
Local Authorities (Committees and Conduct of Business)
Reservoirs (Safety)
Oil Pollution
Electricity Supply (Amendment)
Protection and Preservation of Ancient Monuments
Sale of Goods
Estate Agents Registration
Mineral Working Rights
6th October, 1969

CABINET

INDUSTRIAL POLICY

Note by the Secretary of the Cabinet

By direction of the Prime Minister, I am circulating to the Cabinet the attached memorandum which has been prepared by a working party of officials in pursuance of the Cabinet's decision at their last meeting (CC(69) 45th Conclusions, Minute 5).

(Signed) BURKE TREND

Cabinet Office, S.W.1.

6th October, 1969
The following notes examine certain issues arising from the Cabinet's discussion on 25th September of a possible merger between the Monopolies Commission and the National Board for Prices and Incomes (NBPI). They concern:

(i) The future development of prices and incomes policy.

(ii) The proposed legislation on rents.

(iii) Arrangements for determining pay in the public sector.

(iv) Ministers' responsibilities for industrial efficiency in the public and private sectors.

FUTURE DEVELOPMENT OF PRICES AND INCOMES POLICY

2. The Cabinet have already agreed that from the end of 1969 prices and incomes policy should be based on the activation of Part II of the 1966 Act which gives the Government power to delay pay settlements and price increaser for three months while the NBPI reports on them. It will be necessary to publish a White Paper setting out guidelines which will form the basis on which these matters are considered by the NBPI and the Government. This can hardly be published - or the Order activating Part II debated - until well into November, which means that any reference in The Queen's Speech to a merger between the Monopolies Commission and the NBPI would precede it by some weeks.

3. In announcing the merger decision it would be necessary to explain the relationship between the development of the prices and incomes policy and the establishment of the new Commission. In particular the Government would have to be able to show that there would be an orderly transition to the new basis for dealing with prices and incomes questions, in which the essential continuity of the policy pursued in recent years was preserved. This would be important both in order to avoid any impression that the activation of Part II, to which the Government are committed in the Letter of Intent to the International Monetary Fund, was a mere formality; and in order to secure the continued co-operation of industry in operating the voluntary early warning system on price increases in the coming months. It would also be desirable to give industry some reassurance that in operating the new policy the Government would strike an appropriate balance between wage and price problems.
4. An early decision would be needed on the scope of the powers to be taken under any legislation establishing a new Commission. There is nothing inherent in the concept of a merged Commission to prevent the Government from retaining Part II type powers of delay over wages and prices. But if Ministers decided not to incorporate in the new legislation (which unlike Part II would be permanent) any power to delay wage settlements it would be very difficult to retain any general power to delay price increases. Any suggestion that the Government were proposing to retain detailed powers of price control while abandoning all control over incomes would arouse strong opposition in industry and might well make it impossible to continue the present voluntary early warning arrangements, for example in the food trades, after the end of this year. Industry would also resist strenuously the use of price control to prevent companies from adjusting prices to higher labour costs when the pay settlements involved were not subject to control.

5. This does not mean that in the absence of any power to delay wage settlements all powers over prices would necessarily have to be dropped. Under existing legislation the Government have power to control the price of goods which have been the subject of an adverse report by the Monopolies Commission. It was assumed in C(69) 125 that Ministers would have available broadly the same power in respect of reports by a new Commission though its application might be of limited duration and restricted to cases where the Commission recommended that it would be an appropriate remedy.

6. Industry would be likely to oppose strongly the retention of any power to control prices following reports by a new - and to many businessmen suspect - body; and this opposition would be intensified if the legislation provided that absolute size and not just monopoly could make companies liable for enquiry. Industry's attitude would be greatly influenced by their judgment of the Government's objectives in setting up a new Commission and of the circumstances in which the accompanying powers would be used. It would be desirable to define these as closely as possible in any legislation and in particular to make it clear that it would not be used as an instrument of general prices policy, in effect continuing Part II powers over prices.

7. More generally, there would be presentational problems involved in making a transition, during 1970, from a prices and incomes policy based on Part II of the 1966 Act to the new and much looser regime envisaged in C(69) 123. A possible method of presentation might be on the lines that until the improvements in the balance of payments had been sustained over a period the Government considered it necessary to continue on the present lines with statutory powers to delay the implementation of wage settlements and price increases; for the longer term, however, it would be possible to move forward to a system in which prices and incomes policy was subsumed in a more general framework for encouraging industrial efficiency and labour productivity; the Part II powers would accordingly run until the new legislation had been enacted and the merged Commission had come into effective existence towards the end of 1970; they would then lapse.
RENTS

8. The great majority of the legislation for the control of private rents is of course permanent. But certain provisions were included in the 1968 Prices and Incomes Act which gave the Housing Ministers new powers to require phasing of increases in private rents which are permitted under the Rent Act 1968, and also to control increases in rents of local authority houses. These powers expire at the end of 1969, and Part II of the 1966 Prices and Incomes Act does not apply to rents.

9. Cabinet agreed on 30th July (CC(69) 30th Conclusions) that the Housing Ministers should explore with the Local Authority Associations the possibility of an agreement which would limit increases in local authority rents to an average of 7s. 6d. a year and an individual maximum of 10s. 0d. a year, with statutory powers in reserve. The Local Authority Associations (but not the Greater London Council) have now agreed to an arrangement of this kind, which was presented to them in the context of prices and incomes policy, until June, 1971.

10. A decision to establish a new Commission which would take over the present functions of the NBPI would not in itself affect the question of the continuation of powers over rents. Although the question of increases in local authority rents was on one occasion referred to the NBPI, it is unlikely that this would be done on a further occasion. The NBPI recommended guidelines for such increases which have now been adopted. It is therefore doubtful whether it would be necessary for the possible scope of references to a new Commission to extend to rents (although it might be presentationally awkward to exclude them).

11. The agreement with the Local Authority Associations was concluded on the basis that it would form part of the prices and incomes policy after the end of 1969, the other features of which were still under consideration. If it appeared that the other aspects of the policy were being abandoned, the Local Authority Associations would no doubt argue that the situation had changed, and that it would be wrong to single out rents alone for continued controls. These arguments would not apply to the period during which Part II of the 1966 Prices and Incomes Act was activated and it would be logical during that period to operate the agreement with the Local Authority Associations, accompanied by reserve statutory powers of control.

12. If, however, no similar prices and incomes powers were retained after the creation of a new merged Commission in the early autumn of 1970, and the special statutory powers of control over local authority rents were ended at the same time, it would mean that the legislation required to support the agreement with the Local Authority Associations would have only a limited life.
13. Whatever the decision on a new Commission, a very early decision is needed on the proposed rent legislation to accompany the agreement with the Local Authority Associations, since it will need to be passed by the end of 1969. In addition the Housing Ministers are in favour of continuing the phasing of private rent increases. This possibility was also envisaged by the Ministerial Sub-Committee on Future Prices and Incomes Policy in May, 1969 (Pl(F)(69) 3rd Meeting). If the Cabinet were to decide in principle that legislation was needed to control rent increases by local authorities and in the private sector, the Housing Ministers would be able quickly to put detailed proposals for consideration by the Pl(F) Sub-Committee and, subsequently, the Cabinet.

PAY IN THE PUBLIC SECTOR

14. In July, 1969, the Government announced that they had decided that the arrangements for determining pay in the public sector in its widest sense should be more closely co-ordinated, that the revised arrangements would envisage giving the NBPI a more central role, and that any changes would be made in consultation with those concerned. Since then, the Pl(F) Sub-Committee has been considering precisely what changes should be made for this purpose and will be able to consider further proposals by officials after the Cabinet discussion on a possible new Commission.

15. The Pl(F) Sub-Committee agreed at its meeting on 31st July that there should be no change in the existing negotiating machinery which covers the greater part of the public services. These include the industrial and non-industrial Civil Service, teachers, police, nurses and most other National Health Service staff, local authority employees and the fire service. This Pl(F) decision need not be affected by any decision on a new Commission.

16. The Pl(F) Sub-Committee agreed also that the NBPI should undertake periodic reviews of pay structures and efficiency in the public services which have existing negotiating machinery. This was subject to the reservation that before a review of any particular service was authorised, the agreement of the Ministers concerned would have to be secured or a collective decision taken by the Government as a whole. The decision was also based on the assumption that the role of the NBPI was not materially changed. No decision has been taken on the precise nature of these reviews, the machinery for conducting them, the groups to be reviewed or the timing of the reviews. These questions will need to be considered by the Pl(F) Sub-Committee after the Cabinet discussion. In the report by officials circulated with C(69) 122, it was assumed that if a new Commission were set up it would conduct reviews of this kind and it would be consistent with the Cabinet decision of July, 1969, to entrust it with the responsibility for public sector reviews. However, if Ministers decide upon the new Commission, this aspect of its functions will need further study.
17. At the present time, there are standing references to the NBPI on the pay of the Armed Forces and of university teachers - two groups for whom no negotiating machinery exists at present, though the possibility of creating such machinery for the university teachers is under discussion. These standing references could be transferred to the new Commission, leaving open (as at present) the possibility of withdrawing or altering either of them at any time. The position of the Kindersley Review Body on the Pay of Doctors and Dentists and the Plowden Committee on the Pay of the Higher Civil Service within the general framework for dealing with public sector pay has not yet been discussed by Ministers. A decision to change the arrangements in these fields could not be taken without full discussion with the interests concerned. Even if a new Commission simply took over the NBPI's powers, the announcement of its establishment would arouse suspicion in the medical profession, which could be allayed only by making it clear at the time of the announcement that the Kindersley Review Body would not be affected.

18. It is unnecessary to decide whether a new Commission should be given specific responsibilities in other sensitive areas of the public sector. The NBPI has been given responsibility for advising from time to time in some of these fields (e.g. Chairmen and Boards of the nationalised industries). It would be sufficient if the terms of reference of a new Commission were drawn widely enough to enable references to be made where Ministers considered it desirable.

19. There is no need for Ministers to take decisions immediately on any of the questions outstanding in this section; but if any public statement were made about the establishment of a new Commission, it would need to include a passage in suitable terms to reassure such groups as the medical profession that the new organisation did not imply any change in the arrangements for advice on their pay.

MINISTERS' RESPONSIBILITIES FOR INDUSTRIAL EFFICIENCY

20. At the discussion in Cabinet on 25th September there was general agreement that if there were a merger of the Monopolies Commission and the NBPI it should not involve any "derogation from the existing powers and responsibilities of sponsoring Ministers to stimulate efficiency and regard for the public interest in industries for which they are responsible in the public and private sectors of the economy".

21. Production Departments' relations with the industries they sponsor play a central role in the Government's industrial policies. In the public sector the Ministers concerned have direct responsibility for important aspects of the nationalised industries' activities and are accountable to Parliament for them. In the private sector, relations between the production Departments and their industries have become very much closer in recent years. There is a growing dialogue with individual companies and the Working Party on Industrial Policy (MCW) will shortly be submitting a report to Ministers on how consultations between Departments and large companies might be strengthened and systematised.
22. It would be important in defining the functions of a new Commission to recognise that formal enquiries are only one aspect of the complex of relations between Government and industry. They are in no way a substitute for, nor must they be allowed to prejudice, the maintenance and development of the less formalised dealings with sponsor Departments. They are an additional tool to supplement and reinforce Departments where a detailed outside enquiry may be needed to establish whether a firm is acting in the public interest or where an independent report on certain practices might be more effective than informal consultation and pressure. To the extent that the scope of a new Commission appeared to industry to go significantly beyond a continuation of current developments in the working of the two existing bodies, there could be a serious withdrawal of confidence. Moreover, if any new arrangements could be interpreted as reducing the relative importance of the sponsor Department in the Government's dealings with industry large companies might attach less importance to the development of the two-way contacts which it is the Government's aim to encourage.

23. These are not new problems. They exist wherever a body which is responsible to one Minister has powers of enquiry or action in a field covered by other Ministers, as is the case with the Monopolies Commission, the NBPI and the Industrial Reorganisation Corporation. Experience suggests that so far as formal machinery is concerned the best arrangement is for references to be made jointly by the Minister responsible for the body carrying out the enquiry and the production Minister concerned. These would follow agreement between the two Ministers concerned or collective decision. In many cases, indeed, the sponsor Department might suggest references. The responsibility for follow-up action in the private sector would be shared with the production Department taking the lead wherever practicable. Responsibility for follow-up action in the public sector would rest with the sponsor Department concerned.

24. Ministers have still to consider the precise arrangements for referring increases in charges by nationalised industries in the next phase of the prices and incomes policy. Officials are generally agreed that more flexibility is desirable in deciding whether or not it would be useful to make a reference in a particular case. Enquiries into the efficiency of the nationalised industries raise special problems and consideration is already being given to the way in which efficiency studies can be so carried out as to be of real assistance to the industries and Ministers concerned. It is particularly desirable to develop arrangements which the industries can see as contributing to management rather than as providing an additional basis for public criticism. Ministers responsible for the industries will wish to retain some flexibility in the means available to them for discharging their duty to promote efficiency, but with the opportunity now provided to review current procedure, the new body could make a contribution.

25. The principles in this section would apply, mutatis mutandis, to Departmental responsibilities in relation to pay in the public sector.
CHANGES IN THE ORGANISATION OF THE GOVERNMENT

Note by the Secretary of the Cabinet

By direction of the Prime Minister, I am circulating to the Cabinet the statements which the Prime Minister made to Lobby correspondents on Lobby terms in explanation of the changes in the organisation of the Government.

(Signed) BURKE TREND

Cabinet Office, S.W.1.

6th October, 1969
Prime Minister's Statement to the Lobby on 5th October, 1969

Before I give the details of the changes in the organisation of Government, and of the personalities involved, I should like to explain the principles and strategy underlying what I am trying to achieve.

Some of the things I am doing have been in contemplation for a considerable period of time, and it was early in July that I gave instructions for work to begin on the main changes which I had decided on by that time and which are being announced tonight.

One aim is to concentrate the process of decision-making increasingly on senior Ministers, with wider responsibilities, who will take the decisions on a chain of command basis, rather than by inter-departmental committees. This was the principle that underlay the reorganisation over the years of Defence. There is no doubt at all who takes the decisions there. Before that time there was a great deal of co-ordination but the decision-making now is clear and direct. The same principle underlay the integration of the Health and Social Security Departments where again one Minister takes the decisions rather than doing it through committees covering more than one Department. Again in what were formerly three Departments, Foreign Office, Commonwealth Office and Colonial Office, the policy decisions now are taken on a chain of command basis by the Foreign and Commonwealth Secretary.

I have now decided to extend this principle in two additional fields. The first is in industrial policy. The Chancellor of the Exchequer will of course continue as supreme in financial and economic policy.

The main changes will be to concentrate responsibility and decision-making in the field of national and regional industrial policy.

Anthony Wedgwood Benn will remain the head of the Ministry of Technology which will be unchanged in name, but greatly extended in coverage.
His present powers cover the aerospace industries, until 1967 in a separate Department, the nuclear industries, a great part of the technological and research effort, including research development, NRDC etc., together with sponsorship of all the engineering industries, including electrical engineering as well as shipbuilding and electronics.

The industries for which he will be directly responsible will from now on include most of the Board of Trade industries the major ones affected being the chemical industries, now finding their natural home with chemical engineering, and textiles which are increasingly linked with chemicals, through man-made fibres but which will also now be in the same Department as textile machinery.

He will also take over the responsibilities of Minister of Power, by far the biggest ministerial industrial complex at present outside the Technology Ministry. This brings into a single Department electricity generation, and nuclear power; electricity generation and the electricity plant industries; gas and oil with chemicals; steel with the industries using steel.

It also means that Ministers who are sponsoring the coal mining industry will have more authority in that they will have a voice in the development of other areas of decision-making where coal can be affected. I am thinking not only of the linking of coal with mining machinery, but the linking of colliery closures with the industrial and regional responsibilities for providing alternative work. At the same time general responsibility for mineral development, which I had already decided to centre in the Ministry of Power, will come under the Minister of Technology. This will mean that non-ferrous metal extraction and development will be with the main non-ferrous metal using industries.

I referred just now to regional responsibilities. All the present duties of the Board of Trade in connection with the distribution of industry, IDCs, advance factories, responsibility for industrial estates in development areas, building grants and loans, will be transferred to Technology. I have felt for some time that over as wide an area as possible responsibility for these aspects of policy should be in the same Department which carries the responsibilities for sponsoring and dealing with the problems of most of the industries concerned. The Department responsible for dealing with the general problems of an industry or perhaps a major firm, will thus be responsible for the location of its expansion programme instead of this being handled by two separate Departments.
Responsibility for investment grants will also be transferred from the Board of Trade to the Ministry of Technology.

The responsibility for the Industrial Reorganisation Corporation will also pass to the Ministry of Technology.

The responsibility for industrial policy, outside of course the very wide functions carried out by the Department of Employment and Productivity, will be concentrated in a single Department. The Ministry of Technology will become one of the biggest Government Departments and will be carrying out the functions of two existing Departments, itself and Power, and a substantial volume of work transferred from the Board of Trade and the Department of Economic Affairs.

Tony Benn will also have working to him two Senior Ministers. Reg Prentice will move from the Ministry of Overseas Development at his present level and status. Harold Lever will join the Department as Paymaster General and will be in the Cabinet. It will be for Tony Benn to work out and report to me his proposals for the division of duties between the three senior Ministers as well as the more junior Ministers who will be there.

With the transfer of many industrial functions from the Board of Trade to the Ministry of Technology, the Board will concentrate the greater part of its energies on overseas trade and export promotion including a considerable proportion of the sectors responsible for invisible earnings. In addition to its responsibilities for external commercial policy (including tariff policy) and export policy and services, the Board of Trade will retain responsibility for civil aviation, shipping, tourism, hotels and insurance. On the home side, its work will be primarily related to commerce including the administration of the Insurance and Companies Acts, patents and copyright. It will continue to be responsible for consumer protection, for the distributive and service trades, including retail distribution, for newspapers, printing, publishing and films, these being more in the field of communications than industries as normally conceived.

The President of the Board of Trade will be Roy Mason, and he and the Minister of State will spend a great deal of their time in direct contact on exports with industry throughout the regions, in addition to promoting sales of British exports overseas. The regional export organisation will be strengthened. It will be remembered that Roy Mason started his ministerial career in the Board of Trade when he was in charge of the section of the Board's work dealing with shipping, civil aviation and tourism.
These changes give us the opportunity to rationalise the work of the various Government Departments in the field of productivity - where there are a large number of advisory and other bodies. I have asked Barbara Castle, who has, of course, been developing the productivity services in her own Department, to take this up urgently and produce a plan for rationalising and streamlining. To enable her to do this effectively she will take on immediately the responsibility for the Government relations with the British Productivity Council, the British Institute of Management, and the Centre for Inter-firm Comparisons.

As has been announced, the Government is urgently reviewing the question of the public accountability of firms in industry, including the roles of the Monopolies Commission and of the National Board for Prices and Incomes. The future departmental responsibility for monopolies, mergers and restrictive practices will be decided in the light of the Government's decision which is to be announced shortly.

With the transfer, I have mentioned of the industrial functions of the Department of Economic Affairs to the Ministry of Technology - I shall have a word to say about their regional work in a moment - Department of Economic Affairs as a Department will disappear, but its functions, intensified and strengthened, will be carried out elsewhere.

I shall continue to be Chairman of NEDC. Contact with NEDO on the agenda and priorities of the Council's business, and of co-ordinating briefs thereon, will pass to the Cabinet Office, who will also be responsible for supervising the Vote and for NEDO's staffing.

The work hitherto done by the Department of Economic Affairs on medium and long-term economic assessment will pass to the Treasury, the industrial aspects of planning passing to the Ministry of Technology.

The Treasury will assume co-ordinating responsibility for those aspects of the work of the NEDC which relate to the continuing process of preparing, producing and following up planning documents, and for co-ordinating the work of the individual Departments who have the responsibility for consultations with industry on them. Consultation with EDCs, the little NEDDYs, will pass in each case to the Department responsible for the industry whose work is covered by the little-NEDDY, e.g. Technology for mechanical engineering or machine tools, Agriculture for the farming NEDDY, the Board of Trade for retail distribution etc.
The other major development lies in the field of housing and local government, regional planning, including land use and transport policy, and responsibility for the environment.

As I indicated in my speech to the Association of Municipal Corporations at Scarborough, I am particularly anxious to put more power into the work which will be urgently proceeding following the consultations on the Redcliffe-Maud Report.

I am therefore putting the existing Departments of Housing and Local Government, and Transport, under the direction of a new Secretary of State for Local Government and Regional Planning. The Secretary of State will be Tony Crosland who will take personal charge of the post-Maud negotiations. He will have helping him Tony Greenwood as Minister of Housing and Local Government and Fred Mulley as Minister of Transport, Mr. Marsh retiring from the Government. The existing regional work of the Department of Economic Affairs, in particular responsibility for the Regional Economic Planning Councils and Regional Economic Planning Boards, will also pass to the new set-up. The Secretary of State will thus be responsible for all regional planning questions except, of course, for the location of industry work transferred to Technology.

As you know, I have spent a good deal of time meeting Regional Economic Planning Councils and Regional Economic Planning Boards in different parts of the country. It is becoming increasingly a misnomer to refer to them as primarily economic in their functions. If you read the various regional plans which they have produced, the emphasis has been more and more on a broad plan of the region as a whole, with a more marked concentration on transport planning, but also on social development, urban renewal, and other amenity questions covering a wide range of environmental problems.

I have asked the new Secretary of State to go urgently into the question of environmental pollution in all its forms and to make proposals to me on how this should be dealt with, including any changes he may feel it right to recommend in the machinery of government or the law. His responsibilities of course extend only to England, but in this matter of pollution he will of course make his recommendations in consultation with the Secretaries of State for Scotland and for Wales whose responsibilities and statutory functions remain unchanged in this and in all other matters.
The Secretary of State for Local Government and Regional Planning will, of course, be a member of the Cabinet but not his two colleagues, the Minister of Transport and the Minister of Housing and Local Government. He will speak for the whole set-up in Cabinet. The statutory functions of the Minister of Housing and Local Government and the Minister of Transport will continue as at present but I shall ask the Secretary of State to report to me on what changes should be made at a later date with a view of creating a more integrated Department. I would not expect this remit to have top priority since I want him and the Ministers under him to concentrate their activities on housing, on Maud, on regional planning and the problems of environment.

Now I turn to the other changes at Cabinet level. George Thomson, at present Minister without Portfolio, will go to the Foreign and Commonwealth Office as Chancellor of the Duchy of Lancaster in place of Fred Lee, who is retiring. George Thomson will remain in the Cabinet and, in addition to being overall deputy to Michael Stewart on the whole range of the office, he will take personal charge under Michael Stewart on all questions affecting relations with Europe, including the conduct of negotiations with EEC.

Although objections have sometimes been made against "double banking" in the Cabinet, the work of the Foreign and Commonwealth Office is now so great that, as in 1961-1963, it is necessary to have two Foreign Office Ministers in the Cabinet.

This will help to lighten the load on the Foreign and Commonwealth Secretary in that High Commissioners, Ambassadors and visiting Ministers and others will be able to go to one or other of the two Foreign and Commonwealth Office Ministers in the Cabinet.

I have found that my decision to put the Chief Secretary in the Cabinet has worked very well. In addition to giving the Chief Secretary personal responsibility under the Chancellor for matters affecting national expenditure, he has had more authority in dealing with Ministerial heads of spending Departments.
George Thomson will be succeeded as Minister without Portfolio by Peter Shore. For the reasons I have stated fewer interdepartmental committees will be needed, and it is intended therefore that the Minister without Portfolio will also take over the duties hitherto carried out by Judith Hart, until today the Paymaster General.

Judith Hart herself will succeed Reg Prentice at Ministry of Overseas Development.

The creation of the new post of Secretary of State for Local Government and Regional Planning and the redistribution of the functions of the Department of Economic Affairs take effect at once; and Tony Wedgwood Benn will for the time being become Minister of Power. But the actual merger of the Ministries of Technology and Power, and the transfer to the former Department of functions from the Board of Trade (and of responsibility for the Industrial Reorganisation Corporation from the Department of Economic Affairs), have to be effected by an Order-in-Council which requires Parliamentary approval. For this purpose it is intended to lay a draft Transfer of Functions Order as soon as possible after the two Houses resume, and I shall also make a statement to the House.

In about a week's time I hope to have a further list of changes at Minister of State and Parliamentary Under-Secretary level. The administrative changes I have announced will permit some reduction in the number of Junior Ministers, and a resultant reduction in the size of the administration as a whole.

To sum up. First the number of Departments. In the economic field we have at present six Departments. The Treasury, the Department of Employment and Productivity, Board of Trade, Department of Economic Affairs, Technology and Power - leaving Transport for the moment out of the equation. Two of these disappear as separate entities, and the Board of Trade will be concerned as to the greater proportion of its time, energies and staffing with exports and overseas trade, including invisibles. In place of six there are, therefore, four. In addition Transport and the Ministry of Housing come under a single Secretary of State, while still retaining their statutory identities.
The size of the Cabinet is reduced from 23 to 21, though owing to double banking in the Treasury, Foreign and Commonwealth Office and Technology the members who are there representing particular functions, i.e., as Head of a Department or with specific non-departmental duties, are reduced from 22 to 18.

Second, these changes, as I have said above, are designed to make it possible for far more decisions to be taken within Departments, within the area controlled by single Ministers, rather than between Departments. They should, therefore, considerably reduce the number of and time spent on interdepartmental committees, both ministerial and official.

Finally, in addition to the changes in the Foreign and Commonwealth Office, they are designed to put more drive and power in the two areas which are priority themes for the years immediately ahead, namely industrial modernisation and efficiency, and the modernisation of local government, with the development of and greater participation by the regions, and the attack on the problems of the environment.

5th October 1969
7th October, 1969

CABINET

INDUSTRIAL POLICY: AN INDUSTRIAL RELATIONS BILL

Memorandum by the First Secretary of State and Secretary of State for Employment and Productivity

In my memorandum (C(69) 123) I recommended the introduction of a "limited Bill" to give effect to those proposals in the White Paper "In Place of Strife" which were directed primarily to protect the individual employee. I suggested that a Bill of this nature was to be preferred, on the one hand, to more comprehensive legislation and, on the other, to no Bill at all. In paragraph 34 of that memorandum, however, I drew attention to some of the disadvantages of a limited Bill; and I undertook to report further on the problems which would confront us in taking a measure of this kind through Parliament. I think it only right to take this early opportunity of warning my colleagues that recent discussions I have had, and advice I have received, have increased my doubts about the advisability of introducing a limited Bill.

2. First of all, I have been warned that the scope of a limited Bill on the lines I recommended could not be relied upon to be proof against a skilful and determined effort to open it to a wide-ranging debate at the Committee stage because individual employer-employee relations and collective bargaining can not be regarded as completely separate issues. There would, I am advised, be ample opportunity for members to introduce amendments on many, if not most, of the proposals included in the White Paper which were excluded from the Bill. We should therefore have to explain to our supporters why they should not move or resist amendments which were entirely in accordance with the policy of the White Paper and would have to engage in debate on ground which we had not ourselves chosen in circumstances which would be likely to cause us considerable embarrassment.

3. Secondly, we should naturally need to justify a decision to introduce a limited measure which omitted a number of proposals in the White Paper. This justification would have to be in terms which made it clear that the Government was withholding from the unions a number of statutory changes
which would be to their advantage until it could be seen whether the trade union movement could discharge, without public supervision, the obligations it had undertaken. I think the Labour Party Conference has underlined the fact that such an explanation would be bitterly resented by the Trades Union Congress (TUC) in its present highly sensitive frame of mind.

4. I argued in my earlier memorandum that a comprehensive Bill giving effect to the White Paper would be open to the objection that, in the absence of any provisions to supervise trade union rules and behaviour, it would be overwhelmingly favourable to the trade union interest. It is certainly true that a comprehensive Bill would include a number of provisions intended to strengthen the hand of the trade unions (notably the right to recognition, the obligation on employers to disclose information and protection for inducement of breach of a commercial contract in the circumstances of a trade dispute); but a comprehensive Bill would also cover matters on which the TUC had expressed reservations (for example, the proposed amendments to Section 4(4) of the 1871 Trade Union Act and to Section 4 of the 1906 Trade Disputes Act to enable a union to be sued in tort except in the circumstances of a trade dispute, on the first of which in particular there might well be TUC resistance). It would also include provisions for which the TUC have expressed little enthusiasm (for example, the Trade Union Development Scheme and the establishment of the Commission on Industrial Relations as a statutory body) but which can be defended as both useful and desirable on their own merits. A comprehensive Bill could not therefore be attacked as a completely unbalanced "trade union charter".

5. In the light of all these considerations I now believe that the balance of advantage lies in the direction of a comprehensive Bill giving effect to those proposals in the White Paper not ruled out as a result of the 18th June agreement with the TUC (that is to say, alternative (ii) in paragraph 28 of the earlier memorandum). The TUC consider that the agreement precludes legislation on trade union registration and rules and the establishment of an independent review body to hear complaints by individual trade unionists. On registration, I am clear this cannot be included in a Bill. The same probably applies to legislation relating to complaints by trade unionists even if I cannot persuade the TUC to set up its own appeals body, which I shall try to do.

Conclusion

6. I recommend the introduction of legislation which would give effect to the proposals outlined in the White Paper, with the exception of those which would involve penal sanctions against a trade union or an employee, and which could therefore be construed as a breach of the June agreement by the TUC.

B. A. C.

Department of Employment and Productivity, S.W.1.

7th October, 1969
THE QUEEN'S SPEECH ON THE OPENING OF PARLIAMENT

Note by the Lord President of the Council

I circulate, for the information of the Cabinet, a draft of The Queen's Speech on the Opening of Parliament as prepared in the light of consideration by the Ministerial Committee on The Queen's Speeches. Because the final form of the legislative programme for 1969-70 has yet to be settled by the Cabinet, this draft of the Opening Speech was based on the programme provisionally approved in April (CC(69) 19th Conclusions), but I have included a reference to the Bill on Equal Pay which the Cabinet decided on 4th September should be introduced next Session.

2. The final shape of the Speech will depend very much on the decisions taken by the Cabinet on issues still outstanding, in particular on industrial relations, Industrial Commission and local government reorganisation (Wales). I have sidelined passages in the draft which might have to be deleted or amended in the light of our decisions on the final programme, but further changes may be necessary. Additional Bills, apart from those referred to above, which may warrant a mention, if it is decided to include them in the programme, are:

- Coal
- Housing Rents
- Mineral Workings (Off-Shore Installations)
- Trawler Safety

3. The draft Speech contains a reference to Northern Ireland (paragraph 8), which has been added at the Home Secretary's request. He may wish to alter this when he returns from his visit to Northern Ireland this week.

4. Following the meeting at which we consider the legislative programme, I shall circulate a revised draft of the Speech to the Cabinet for consideration.

T. F. P.

Privy Council Office, S. W. 1,

7th October, 1969
ANNEX

THE QUEEN'S SPEECH ON THE OPENING OF PARLIAMENT

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

1. My Husband and I look forward to our visits to New Zealand and Australia, and to attending the Cook Bicentenary Celebrations in both countries.

2. With the coming 25th Anniversary year of the United Nations my Government reaffirm their support for the efforts to ensure peace and to assist the advancement of less developed countries. They will pursue their work through the United Nations for a just and lasting peace in the Middle East.

3. My Ministers will continue to play an active part in the North Atlantic Alliance as the corner-stone of our security and on this basis to strive for better understanding between East and West.

4. The application to become full Members of the European Communities will be maintained with the aim of an early commencement of negotiations. A full part will be taken in promoting other measures contributing to European unity.

5. My Government will strive for further progress on nuclear and non-nuclear arms control and disarmament. They will follow up with vigour the proposals they have put forward for a complete ban on biological methods of warfare.

6. My Ministers will remain ready to assist in any way they can to bring peace to Vietnam.

7. My Government will go on working for an eventual return to constitutional rule in Rhodesia, in accordance with the principles approved by Parliament. They will pursue steadfastly their policy of economic sanctions and of maintaining isolation of the illegal regime until the conditions for an honourable settlement exist.

8. My Ministers will continue their efforts to ensure justice and to promote peace and harmony between all communities in Northern Ireland.
9. Estimates for the public services will be laid before you.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

10. My Government will press forward their policies for attaining a substantial and continuing balance of payments surplus, in order to meet our international obligations and rebuild our reserves, and for achieving a more rapid rate of economic growth and for safeguarding employment. To this end they will continue to develop policies for promoting the efficiency and competitiveness of industry.

11. My Government will pursue with other Governments efforts to improve the international monetary system.

12. A statement will be presented to you of My Government's future plans for public expenditure.

13. My Government will continue to foster the fullest use of resources in all regions and will lay before you measures to provide for assistance to industry in intermediate areas.

14. Bills will be brought before you to promote improved industrial relations and to provide for equal pay for men and women, and to make provision for joint consultation on safety in industry and the reform of the Appointed Factory Doctor service.

15. A Bill will be introduced to amend the Merchant Shipping Acts and to make some provision for the safety of fishermen.

16. Legislation will be brought before you to give effect to certain recommendations of the Committee of Inquiry into civil air transport.

17. A Bill will be introduced to assist the film industry.

18. My Government will continue to work for an international agreement on tariff preferences for the developing countries.

19. Proposals for the Reorganisation of the Ports will be presented to you.

20. Legislation will be introduced to reorganise the electricity supply and gas industries and to enable the Gas Council to search for, refine and market petroleum.
21. A Bill will be brought before you to establish the nuclear fuel business of the United Kingdom Atomic Energy Authority as a separate government-controlled company.

22. My Government will continue to encourage the selective expansion of home agriculture.

23. Legislation will be introduced to implement the Government's proposals on the marketing of eggs; to rationalise the grants to assist fixed capital investment in agriculture; to reorganise smallholdings; and to modernise the law relating to sales of fertilisers and feedingstuffs.

24. Legislation to control the development of labour-only sub-contracting in the construction industry will be introduced.

25. A Bill will be brought before you requiring local education authorities to prepare plans for reorganising secondary education on comprehensive lines.

26. Legislation will be introduced to amend the law on dangerous drugs.

27. A Bill will be brought before you to introduce new schemes of national superannuation and social insurance and to protect occupational pension rights on change of employment.

28. Legislation will be introduced arising out of the recommendations of the Seebohm Committee on Local Authority and Allied Personal Social Services; and fresh proposals will be made for unifying the administration of the National Health Service.

29. My Government will introduce a Bill to reorganise local government in Wales, and will lay before you proposals for the reorganisation of local government in England and Scotland.

30. Legislation will be introduced to reform certain features of the feudal system of land tenure in Scotland and the Scottish law of heritable conveyancing, and to improve the organisation of the Sheriff Courts in Scotland.
31. A Bill will be introduced to modernise the law relating to the construction of highways in Scotland.

32. My Government will carry forward their comprehensive programme of law reform.

33. Legislation will be introduced to enlarge the powers of the Courts with regard to financial provision for parties to marriages which have broken down.

34. A Bill will be laid before you to make better arrangements for the recovery of civil debts and to enable the Courts to avoid causing hardship when making orders for possession of mortgaged property.


Other measures will be laid before you.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

I pray that the blessing of Almighty God may rest upon your counsels.
14th October, 1969

CABINET

FUEL POLICY AND ASSISTANCE FOR THE COAL INDUSTRY

Memorandum by the Minister of Technology

The Prime Minister in October, 1968 invited the Minister without Portfolio as Chairman of the Ministerial Committee on Industrial Policy to arrange a review of the assumptions which formed the basis of the fuel policy laid out in the White Paper on Fuel Policy (Cmnd. 3438) published in November, 1967. The Committee considered the outcome of this review together with certain proposals for the continuation of assistance to the coal industry put forward by the former Minister of Power. The conclusions and proposals set out below have been endorsed by the Committee. I myself have now examined these proposals; and I recommend them to my colleagues.

General fuel policy

2. The general policy laid down in the 1967 White Paper was that the Government should aim to provide energy at the lowest total cost to the community "having regard to the whole range of relevant considerations - economic and social - and to national and regional economic policies". The major constraint then operating on fuel policy was the problem of readjustment of the coal industry.

3. Studies carried out over the last year have confirmed the validity of the Government's primary objectives and the assumptions and judgments underlying our earlier statement of fuel policy. In particular, the coal situation now appears to be more manageable than for some years past: supply and demand are now about in balance, and morale in the industry has been maintained. Nevertheless, the problems of the coal industry will continue to play an important part in our fuel policy for some years yet. For this reason we should maintain the ban on imports of coal and on the conversion of power stations from coal-burning to oil or natural gas; take contingency powers to ensure additional coal-burn at power stations if
necessary and to reimburse the National Coal Board (NCB) for the
deferral of colliery closures at the Government's request; and continue
to contribute to the social costs of the coal industry's contraction and to
compensate redundant mineworkers. These proposals, which are dealt
with at greater length in paragraphs 6-13 below, form a package which
should enable us to secure the continued effective co-operation of
management and men in the further unavoidable contraction of the coal
industry.

4. Some consideration has also been given to the general context of
fuel policy. In 1968 the net foreign exchange cost of the energy account
was £390 million, and despite the savings which will arise from natural
gas this is expected to increase to about £420 million in 1970 and
£620 million in 1975. However, the major part of the increase is in
fields (e.g. transport) where there is no practicable substitute for oil.
It would be possible to pursue a course in the energy sector primarily
concerned with foreign exchange saving and which theoretically would lead
to a substantial balance of payments advantage. But if pursued beyond a
certain point this would cause such distortions throughout the economy
that the costs involved would in practice damage our long-term position
and stand in the way of, rather than assist, our efforts towards rectifying
the balance of payments situation and improving our international
competitiveness. It is necessary to strike a balance here. Existing
protection and taxation measures in the energy sector already produce
substantial foreign exchange savings and to do more could only be justified
in the context of a general reshaping of our balance of payments policies.
In the absence of any general change of this sort, the assumptions
underlying the 1967 statement on fuel policy still stand.

5. This means that the coal industry must still to a large extent
dominate our fuel policy for both industrial and regional policy reasons.
Although we are over the hump of the manpower rundown, the position both
nationally and in particular regions must continue to be watched. Coal
supply and demand are now roughly in balance, and it is important that the
NCB should be given the clear task of maintaining this balance without
special coal-burn at power stations. This precludes endorsing the NCB's
specific and publicly stated planning objectives, including sales of
135 million tons in 1975. (In recent private discussion with the Ministry
of Power, the NCB have in fact retracted their earlier demand for the
Government to endorse the industry's present objectives, though they are
likely to maintain them in public at least for the time being). But we
should encourage the NCB to work for the highest practicable productivity
and should tell them that, subject to continuing review, a manpower
rundown of 10 per cent a year seems to the Government about right in
present circumstances.
6. The specific proposals fall into two classes: those which require legislation (social support measures, contingency provision for increased coal-burn and compensation for the deferment of colliery closures) and those which can be implemented administratively (the bans on coal imports and on the conversion of coal-fired power stations).

Assistance to the coal industry

(a) Social measures

7. We must continue to give social help to the coal industry when the present arrangements end. If we do not, we must look forward to a worsening of our regional problems and we may damage morale or even risk industrial unrest in the coal industry. The provisions of the Coal Industry Act, 1967 expire at the end of March, 1971 and legislation will be needed in the forthcoming Session if the scheme is to be continued. At present, social help is given in the form of the Redundant Mineworkers’ Scheme and the subsidisation of social payments made by the NCB. The Ministerial Committee on Industrial Policy concluded that in principle these measures should be extended for three years beyond March, 1971. They inclined to the view that support should be continued at current rates, but recognising the need to contain public expenditure they asked officials to consider ways of tapering off expenditure on these measures after 1971; the report by officials is annexed to this paper.

(i) The Redundant Mineworkers’ Scheme and Premature Pensions

8. At present, this scheme provides that mineworkers aged 55 or over who are made redundant receive up to about 90 per cent of their take-home pay for three years or until they reach age 65 if this is earlier. Once the three-year period has elapsed they are paid their Mineworkers Pension prematurely. The full cost of this Scheme and associated early pensions falls on the Exchequer, and under the 1967 Act will total some £40 million gross, or £22 million net if account is taken of social security benefits not paid to which they would otherwise be entitled. If the Scheme is extended in its present form until March, 1974 the additional cost (including premature pensions) will be £12.9 million gross or £7.4 million net.

(ii) Help with other social costs

9. Under this scheme, the Exchequer reimburses two-thirds of the NCB’s expenditure on payments to their employees under the Redundancy Payments Act, for loss of superannuation and employment prospects, on payments to encourage transferability and other social payments. During the currency of the 1967 Act the total Exchequer expenditure under this head is expected to be some £42 million. If expenditure is continued on the same basis, then Exchequer expenditure in the three years after 1971 will be of the order of £24 million.
(b) Increased Coal-Burn and Deferment of Colliery Closures

(i) Increased Coal-Burn

10. The 1967 Act provided for Exchequer expenditure of £45 million to compensate the electricity and gas supply industries for burning more coal than they would otherwise wish to do on economic grounds. We should take contingency powers to subsidise additional coal-burn in power stations for a further three years after March 1971 to a maximum of £30 million in all. These powers would however be an insurance, and the NCB would be told that they should maintain coal supply and demand in balance without extra coal-burn. No commitment of public expenditure is entailed but there would be of course a contingent call thereon.

(ii) Deferment of Colliery Closure

11. The 1967 Act provides that the Minister may spend £5 million (which may be increased to £8 million by order) to reimburse the NCB for losses arising from colliery closures deferred at the wish of the Government. The cost to the Exchequer so far has been £2.5 million, of which by far the greater part is accounted for by the general programme of deferments in the winter of 1967-68. The cost of deferments under the present highly selective policy is small, and we recommend that the present powers be extended until March 1974 on a contingency basis, so that between now and March 1974 the maximum sum available will be £5½ million including the £3 million which may be taken by order.

(c) Coal Imports and the Conversion of Power Stations

12. Coal supply and demand are now roughly in balance. The Ministerial Committee were however satisfied that we shall need to maintain the existing bans on coal imports and on the conversion of power stations. The ban on imports has stood since 1958. The ban on conversions must continue for the time being in order to ease the contraction of the coal industry. It is not, however, easy to establish whether on balance the ban does now or will in the future impose net additional resource costs on the nation as well as higher costs on the electricity industry; the position will be kept under regular review. These proposals do not, in general involve any cost to the Exchequer.
13. The additional cost of the proposed measures (for which no provision has been made in the Public Expenditure Survey Committee) will depend on whether benefits are tapered off on the lines indicated in paragraphs 4 and 6 of the Annex, and on whether the contingent powers to subsidise additional coal-burn and to pay compensation in respect of deferred pit closures were in fact used. The order of the expenditure involved over the three years from 1971-72 is, however, as shown below:

<table>
<thead>
<tr>
<th></th>
<th>1971-72</th>
<th>1972-73</th>
<th>1973-74</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Assistance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Cost of a straight three-year extension of existing provisions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Redundancy scheme - gross</td>
<td>0.6</td>
<td>2.8</td>
<td>4.0</td>
</tr>
<tr>
<td>(net)</td>
<td>(0.3)</td>
<td>(1.4)</td>
<td>(2.0)</td>
</tr>
<tr>
<td>(ii) Early pensions</td>
<td>0.8</td>
<td>0.6</td>
<td>0.5</td>
</tr>
<tr>
<td>(iii) Social costs (½ rate)</td>
<td>7.5</td>
<td>8.3</td>
<td>8.1</td>
</tr>
<tr>
<td></td>
<td>8.9</td>
<td>11.7</td>
<td>12.6</td>
</tr>
<tr>
<td>(b) Possible savings*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Social costs (50% rate, paragraph 5(b) of Annex)</td>
<td>1.9</td>
<td>2.1</td>
<td>2.1</td>
</tr>
<tr>
<td>(ii) Social costs (tapering to 50%, paragraph 5(c) of Annex)</td>
<td>-</td>
<td>0.9</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Contingent Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional coal-burn</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Deferment of pit closures</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

*Tapering the redundancy scheme would provide no savings before 1974-75

£Up to £2.5 million (or £5.5 million) in total
Public announcement and consultation

14. In C(69) 132 the Lord President has already invited Cabinet to recognise that a Coal Bill, originally included in the list of Contingent Bills, will be required. A general reference to our intentions can thus be included in The Queen's Speech. Before any such announcement is made, however, I will need to consult in confidence the Chairmen of the nationalised fuel industries, the National Union of Mineworkers and (if time permits) the Energy Advisory Council. Thereafter the necessary Bill might be introduced as soon as it can be prepared - if possible about the end of the year. It might be accompanied by a short White Paper.

Conclusions

15. Accordingly, I invite my colleagues to agree that we should -

(a) Take powers in the 1969-70 Session to enable us to continue after March, 1971 -

(i) finance for a special scheme of compensation for redundant mineworkers (paragraph 8);

(ii) a contribution to the social costs of the contraction of the coal industry borne by the NCB (paragraph 9);

(iii) on a contingency basis, subsidies for extra coal-burn at power stations until 31st March, 1974 (paragraph 10);

(iv) on a contingency basis, subsidies to the NCB for keeping open at the Government's request pits which they would otherwise close (paragraph 11).

(b) Maintain the ban on conversion of power stations from coal to oil or natural gas for the moment, but keep the position under regular review (paragraph 12).

(c) Despite the contingency powers under (a)(iii) above, set the NCB the clear objective of maintaining coal supply and demand in balance without extra coal-burn; refrain from endorsing as planning assumptions the NCB's objectives of sales of 135 million tons and productivity of 75 cwt. per manshift in 1975; but encourage them to work for the highest practical productivity and tell them that, subject to continuing review, a manpower rundown of 10 per cent a year seems about right in present circumstances (paragraph 5).
16. I also invite my colleagues -

(a) To decide in respect of 15(a)(i) and (ii) above whether current rates should be continued for the three years after March, 1971, or whether in either case there should be some tapering during this period (see Annex).

(b) To agree that provision for the cost of the measures at 15(a)(i) and (ii) should be made in the current examination of public expenditure 1971-72 to 1974-75.

A.W.B.

Ministry of Technology, S.W.1.

14th October, 1969
TAPERING OF SOCIAL ASSISTANCE TO THE COAL INDUSTRY AFTER 1971

Note by Officials

This note describes possible ways of tapering off after March 1971 the Government's contribution to the social costs of the coal industry's contraction and the compensation for redundant mineworkers, and summarises their effect on public expenditure.

Redundancy Scheme and premature pensions

2. This scheme, introduced in 1967, applies to redundant miners over age 55, and would come to an end in March 1971 unless power were taken to extend it. The objectives of a tapering arrangement after March 1971 would be to ensure that the period of commitment of further public expenditure on it is defined at the outset; and to prevent what was intended to be a generous but temporary method of dealing with a short-term problem becoming entrenched as permanent social service benefit special to the coal industry.

3. The range of alternative tapering arrangements which would theoretically be possible is, of course, wide. Officials suggest that from a practical point of view there are three possible ways of extending the scheme beyond 1971 which Ministers could consider:

(a) An extension of the present scheme (unaltered) for three years.

<table>
<thead>
<tr>
<th>Year</th>
<th>1971/72</th>
<th>1972/73</th>
<th>1973/74</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>£1.1m</td>
<td>£2.0m</td>
<td>£2.5m</td>
</tr>
</tbody>
</table>

(b) A tapering period of entitlement, so that all payments end in 1975. Under this arrangement men redundant up to March 1972 would receive payments for a maximum of three years as under the existing scheme; men redundant up to March 1973 would receive payments for two to three years depending on the date of redundancy and men redundant in the final year would receive benefits for one to two years again depending on the actual date of redundancy. No individual miner would cease to receive benefits to which he is entitled under the existing scheme until after March 1975, but savings would start to accrue after that date. The net cost would be:

<table>
<thead>
<tr>
<th>Year</th>
<th>1972/73</th>
<th>1973/74</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>£1.1m</td>
<td>£2.05m</td>
</tr>
</tbody>
</table>

*The net cost calculated after allowance for social security benefits for which they might otherwise be eligible.*
(c) Continuation of the present scheme for three years, but coupled with a firm statement that any continuation beyond 1974 would be on a tapering basis. The net cost up to 1974 would be the same as (a); the extra cost thereafter would depend on the arrangements made, but if the scheme were tapered over three years to 1977 it might total £3½ million net.

Social Costs
4. Under the Coal Industry Act 1967 the Government contributes at a rate of two-thirds towards the costs incurred by the NCB on account of, inter alia, redundancies and transfers within the industry.

5. Officials consider that there are three possible ways of contributing to social costs after 1971, which deserve consideration:
   (a) Maintenance of a 66.6 per cent contribution for each of the three years after 1971. This would cost £24 million over the three years.
   (b) Payment of a 50 per cent contribution for each of the three years. This would save £6 million over the three years 1971/72 to 1973/74.
   (c) Alternatively the reduction in the Government contribution from 66.6 per cent to 50 per cent could be phased over the three year period as follows: 66.6 per cent for 1971/72; 50 per cent for 1972/73 and 50 per cent for 1973/74. This would save £3 million compared with a straight continuation of present arrangements.

Costs
6. The annual effects on public expenditure are shown in Table I below. The savings possible by adopting tapering of the redundancy scheme and social costs subsidy are shown in Table II.
### Table I - Extension of current arrangements by 3 years

<table>
<thead>
<tr>
<th></th>
<th>1971-72</th>
<th>1972-73</th>
<th>1973-74</th>
<th>1974-75</th>
<th>Later Years Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Redundancy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheme: gross</td>
<td>0.6</td>
<td>2.8</td>
<td>4.0</td>
<td>2.0</td>
<td>1.6</td>
</tr>
<tr>
<td>(net)</td>
<td>0.3</td>
<td>1.4</td>
<td>2.0</td>
<td>1.0</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Early pensions</strong></td>
<td>0.8</td>
<td>0.6</td>
<td>0.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Social costs</strong></td>
<td>7.5</td>
<td>8.3</td>
<td>8.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>8.6</strong></td>
<td><strong>11.7</strong></td>
<td><strong>12.6</strong></td>
<td><strong>2.0</strong></td>
<td><strong>1.6</strong></td>
</tr>
</tbody>
</table>

### Table II - Savings - £m.

<table>
<thead>
<tr>
<th></th>
<th>1971-72</th>
<th>1972-73</th>
<th>1973-74</th>
<th>1974-75</th>
<th>Later Years Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Redundancy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheme: (net)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.6</td>
<td>0.8</td>
</tr>
<tr>
<td>(para. 3(b))</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Social costs</strong></td>
<td>1.9</td>
<td>2.1</td>
<td>2.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(para. 5(b))</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Social costs</strong></td>
<td>-</td>
<td>0.9</td>
<td>2.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(para. 5(c))</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
CABINET

THE QUEEN'S SPEECH ON THE OPENING OF PARLIAMENT

Note by the Lord President of the Council

On 7th October I circulated for the information of the Cabinet a draft of The Queen's Speech on the Opening of Parliament prepared in the light of consideration by the Ministerial Committee on The Queen's Speeches. I have revised this to take account of the decisions reached in Cabinet on 7th and 9th October and now seek the approval of my colleagues to the draft annexed to this note. Some drafting changes have also been made.

2. I have added to the draft references to Mineral Workings (Offshore Installations) (paragraph 14), Industrial Commission (paragraph 16), and Housing Rents (paragraph 33). I have sought to cover Trawler Safety by amendment of the paragraph about Merchant Shipping (paragraph 18), which already contained a reference to safety of fishermen. This means that the draft makes reference to all Bills in the main programme except Investment Grants for Ships, which it was agreed should not be mentioned, and Transport (London) Acts 1969 (Amendment) which is a somewhat technical matter.

3. The reference to Local Government Reorganisation (Wales) (paragraph 31) has been recast in the form agreed at Cabinet last Tuesday.

4. We agreed last Thursday that we would endeavour to find room later in the Session for Civil Aviation and Registration of Employers and Self-Employed Persons in the Construction Industry. It is for consideration whether reference should be made to them in the Speech. I have provisionally recast the references - paragraphs 17 and 19 - in terms of proposals. Considerations of length may tip the balance.

5. Legislation apart, the Cabinet will probably wish to look at the reference to Northern Ireland (paragraph 8). It may be that there should be some reference to the legislation proposed.
6. The revised draft runs to about 990 words, compared with the normal 1,000. Any further additions will therefore need to be matched by deletions.

Privy Council Office, S.W.1.

10th October, 1969
THE QUEEN'S SPEECH ON THE OPENING OF PARLIAMENT

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

1. My Husband and I look forward to our visits to New Zealand and Australia, and to attending the Cook Bicentenary Celebrations in both countries.

2. With the coming 25th Anniversary year of the United Nations, my Government reaffirm their support for the efforts to ensure peace and to assist the advancement of less developed countries. They will pursue their work through the United Nations for a just and lasting peace in the Middle East.

3. My Ministers will continue to play an active part in the North Atlantic Alliance as the corner-stone of our security and on this basis to strive for better understanding between East and West.

4. My Government will maintain their application to become full Members of the European Communities and will aim at an early commencement of negotiations. They will take a full part in promoting other measures contributing to European unity.

5. My Government will strive for further progress on nuclear and non-nuclear arms control and disarmament. They will follow up with vigour the proposals they have put forward for a complete ban on biological methods of warfare.

6. My Ministers will remain ready to assist in any way they can to bring peace to Vietnam.

7. My Government will continue working for an eventual return to constitutional rule in Rhodesia, in accordance with the principles approved by Parliament. They will steadfastly pursue their policy of economic sanctions and of maintaining isolation of the illegal regime until the conditions for an honourable settlement exist.

8. My Ministers will continue their efforts to ensure justice and to promote peace and harmony between all communities in Northern Ireland.

MEMBERS OF THE HOUSE OF COMMONS

9. Estimates for the public services will be laid before you.
MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

10. My Government will press forward their policies for attaining a substantial and continuing balance of payments surplus, in order to meet our international obligations and rebuild our reserves, and for achieving a more rapid rate of economic growth and for safeguarding employment. To this end they will continue to develop policies for promoting the efficiency and competitiveness of industry.

11. My Government will pursue with other Governments efforts to improve the international monetary system.

12. A statement will be presented to you of My Government's future plans for public expenditure.

13. My Government will continue to foster the fullest use of resources in all regions and will lay before you measures to provide for assistance to industry in intermediate areas.

14. Legislation will be introduced to secure the safety, health and welfare of persons on offshore drilling installations.

15. Bills will be brought before you to promote improved industrial relations and to provide for equal pay for men and women. Provision will also be made for joint consultation on safety in industry and the reform of the Appointed Factory Doctor service.

16. Legislation will be introduced to merge the Monopolies Commission and the National Board for Prices and Incomes.

17. Proposals will be submitted to you for controlling the development of labour-only sub-contracting in the construction industry.

18. Bills will be introduced to amend the Merchant Shipping Acts and to make provision for the safety of fishermen.

19. Legislation will be brought before you to give effect to certain recommendations of the Committee of Inquiry into Civil Air Transport.

20. A Bill will be introduced to assist the film industry.

21. My Government will continue to work for an international agreement on tariff preferences for the developing countries.

22. Proposals for the reorganisation of the ports will be presented to you.

23. Legislation will be introduced to reorganise the electricity supply and gas industries and to enable the Gas Council to search for, refine and market petroleum.
24. A Bill will be brought before you to establish the nuclear fuel business of the United Kingdom Atomic Energy Authority as a separate Government-controlled company.

25. My Government will continue to encourage the selective expansion of home agriculture.

26. Legislation will be introduced to implement the Government's proposals on the marketing of eggs; to rationalise the grants payable to assist fixed capital investment in agriculture; to reorganise smallholdings; and to modernise the law relating to sales of fertilisers and feedingstuffs.

27. A Bill will be introduced requiring local education authorities to prepare plans for reorganising secondary education on comprehensive lines.

28. Proposals will be laid before you for establishing a more comprehensive, rapid and flexible system of control over dangerous drugs.

29. A Bill will be brought before you to introduce new schemes of national superannuation and social insurance and to protect occupational pension rights on change of employment.

30. Legislation will be introduced arising out of the recommendations of the Seebohm Committee on Local Authority and Allied Personal Social Services; and fresh proposals will be made for unifying the administration of the National Health Service.

31. Proposals will be put forward for the reorganisation of local government in England, Scotland and Wales.

32. Legislation will be introduced to continue in modified form powers to limit increases in house rents.

33. A Bill will be introduced to modernise the law relating to the construction of highways in Scotland.

34. My Government will carry forward their comprehensive programme of law reform.

35. Legislation will be introduced to enlarge the powers of the Courts with regard to financial provision for parties to marriages which have broken down.

36. A Bill will be laid before you to make better arrangements for the recovery of civil debts and to enable the Courts to avoid causing hardship when making orders for possession of mortgaged property.

38. Legislation will be brought in to reform certain features of the feudal system of land tenure in Scotland and the Scottish law of heritable conveyancing, and to improve the organisation of the Sheriff Courts in Scotland.

Other measures will be laid before you.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

I pray that the blessing of Almighty God may rest upon your counsels.
Cabinet

Northern Ireland

Note by the Secretary of State for the Home Department

I circulate for the information of my colleagues the text of the communique issued after my discussions on the 9th and 10th October with the Northern Ireland Government.

L. J. C.

Home Office, S.W.1.

13th October, 1969
ANNEX

COMMUNIQUE ISSUED FOLLOWING THE HOME SECRETARY'S DISCUSSIONS WITH THE NORTHERN IRELAND GOVERNMENT ON 9TH AND 10TH OCTOBER

During his second visit to Belfast the Home Secretary, Mr. James Callaghan, accompanied by the Minister of State, Home Office, Lord Stonham, attended a series of meetings with the Northern Ireland Cabinet on 9th and 10th October.

The Ministers of both Governments expressed their appreciation of the work of the Army in the very arduous tasks it has had to undertake in support of the civil power.

The Ministers discussed the report on the recruitment, organisation, structure and composition of the Royal Ulster Constabulary (R.U.C.) and the Ulster Special Constabulary (U.S.C.) submitted to the Northern Ireland Minister of Home Affairs by the Advisory Committee under the Chairmanship of Lord Hunt. Northern Ireland Ministers informed the Home Secretary that:

(a) They accepted the principle of a civilised and normally unarmed Royal Ulster Constabulary.

(b) They agreed that, subject to further consideration of its composition, a Police Authority should be constituted, representative of the community as a whole, to which the Inspector-General of the R.U.C. should be accountable.

(c) They agreed to a closer association of the R.U.C. with British police forces. Further discussions will take place with the United Kingdom Government as to how this may be achieved. In this context the Home Secretary is anxious to devise arrangements for mutual assistance between the R.U.C. and British police forces in such matters as training facilities, the secondment of personnel and the temporary reinforcement of the R.U.C. in emergencies.

(d) They accepted in principle that the police should be relieved of all responsibility for prosecutions, and that a system of independent public prosecutors should be adopted.

(e) They agreed that the U.S.C. should be replaced by two new forces:

(i) a volunteer reserve for routine police duties such as traffic control; and

(ii) a locally-recruited military force to protect key installations and to undertake such other tasks as might be necessary to guard against the threat of armed guerilla-type attacks.
This force will be commanded by the General Officer Commanding, Northern Ireland, who will work in the closest consultation with the Government of Northern Ireland, through a Security Committee presided over by the Minister of Home Affairs.

In conveying these decisions, Northern Ireland Ministers stated that they considered it essential that:

(a) The adoption of the principle of an unarmed police force should in practice depend upon assessment of the security situation as it exists throughout Northern Ireland and in particular areas.

(b) The arrangements for the raising of a new security force should be set in motion without delay and once constituted there should be no change in that force without the fullest consultation with the Government of Northern Ireland.

(c) The U.S.C., as at present organised, should remain in being until a fully effective security force was available to replace it.

(d) The vital interests of the Northern Ireland Government in the defence of the province should be recognized by continuing arrangements for the fullest consultation as to the policy for use of the new force, and

(e) A fully adequate military garrison should be maintained in Northern Ireland and there should be effective machinery for the swift deployment of army units in Northern Ireland including units of the new locally recruited force, in the event of any threat to security.

The Home Secretary, on behalf of the United Kingdom Government, gave assurances that these requirements would be fully met within those fields for which the United Kingdom Government were responsible.

Northern Ireland Ministers informed the Home Secretary that Mr. J. A. Peacocke had submitted his resignation as Inspector-General of the R.U.C. and that to succeed him the Minister of Home Affairs had recommended to the Governor the appointment of Sir Arthur Young, Commissioner of the City of London Police. The Home Secretary expressed his complete confidence in this appointment and shared the Northern Ireland Government's appreciation of the generous action of the Corporation of London in agreeing to release Sir Arthur Young.
7. The Ministers reviewed the present economic and industrial prospects of Northern Ireland in the light of an appraisal by a mission of representatives of Whitehall departments undertaken at the invitation of the Northern Ireland Government.

8. They noted that the direct effects of recent disturbances on trade and industry had proved to be limited in extent and of short duration. They re-affirmed that the achievement of an acceptable rate of industrial expansion remained an essential element in the future economic development of the province.

9. The Northern Ireland Government welcomed the full and generous support of the United Kingdom Government in making possible the decisions that they had taken following the report of the United Kingdom mission to maintain the momentum of industrial investment. The Ministers noted that, while the rate of promotion of new jobs in 1969 had been in line with present targets, a source of concern to potential investors was the availability of a satisfactory assurance against loss in the event of further disturbance. To provide an immediate assurance to new manufacturing projects, it has been decided to introduce for a limited period a scheme of free compensation against damage arising from riot or civil commotion, including consequential loss, which would form a supplement to new agreements for assistance under the Industries Development Acts.

10. To encourage a still higher rate of expansion, it has been decided, for a period of three years, to increase by 5 per cent the rates both of investment grants and of grants payable under the Industries Development Acts. This means that the standard rate of investment grants payable without employment test will become 45 per cent, with a rate of grant of up to 50 per cent for projects offering worthwhile additional employment. These measures are estimated to cost some £3 m. in a full year. The Ministers agreed that the Northern Ireland Government should indicate their intention, at a further cost of some £15 m., to retain for a further year until April 1971 the additional selective employment payment of 7s. 6d. a man per week, which is to be discontinued in Development Areas in Great Britain from April 1970.

11. These measures have particular relevance to the longer term economic prospect. The Ministers agreed that meanwhile the prospects for employment in the coming winter, particularly in certain localities, remained a matter of great concern. It has accordingly been decided to initiate a programme of works costing up to £22 m. for the relief of unemployment this winter. The works will be mainly concerned with roads, forestry and land reclamation, as well as amenity schemes and tourist development work in outlying areas. This will provide some 2,500 new jobs.
12. The Home Secretary reiterated the close and continuing interest of the United Kingdom Government in the economic well-being of Northern Ireland which could be promoted only by the fullest co-operation between the two Governments. The present decisions fell within the existing framework of financial arrangements between the two Governments. He affirmed the intention of the United Kingdom Government to cover the agreed capital requirements of Northern Ireland on a continuing basis.

13. The Ministers discussed the reports received by the Northern Ireland Government from the joint working parties which had reviewed the adequacy of present practice or pledged commitment to ensure:

(i) The promotion of good community relations by methods including the prohibition of incitement to religious hatred.

(ii) The avoidance of any discrimination in any form of public employment.

(iii) The fair allocation of houses by public authorities.

14. A Minister of Community Relations had been appointed and a Bill to set up a Community Relations Commission had already received a Second Reading in the House of Commons. The duties of the Commission would include encouraging the establishment of harmonious community relations and advising Northern Ireland Ministers on questions relating to community relations. The Commission would be authorised to assist local bodies concerned with community relations, to provide training courses, to promote conferences, and to undertake research.

15. A Bill had been introduced to establish a Commissioner for complaints to deal with complaints of maladministration (which would include religious discrimination) by local authorities or public bodies. It will be the duty of the Commissioner to investigate complaints, to attempt to conciliate the two parties and, if that proves impracticable, to indicate what remedy is required to provide a fair settlement to cure the effects of the maladministration. He will have power to compel the attendance of witnesses and the production of papers. Not only may an aggrieved person seek remedies in the courts as an ultimate sanction but an injunction may be sought in the High Court to restrain a local or public body from any continuing course of maladministration.

16. The Government of Northern Ireland have decided to introduce an anti-discrimination clause in all Government contracts.

17. Northern Ireland Ministers indicated their intention of keeping under review the adequacy of the existing law against incitement.
18. The Minister of Community Relations will be considering what further action to prevent discrimination in other fields might be desirable. Northern Ireland Ministers had approved a series of detailed recommendations designed to reinforce the safeguards against discrimination in public employment and agreed that consultations should be set on foot at once with the various employing authorities and staff associations. The main points decided were:

(a) The Joint Working Party found that the Civil Service of Northern Ireland deservedly enjoys a high reputation for fairness and impartiality in its employment practices and is open to criticism in only a few minor aspects. Action will be taken in respect of those. The powers of the Northern Ireland Parliamentary Commissioner for Administration will be extended to personnel matters in the Civil Service.

(b) In those parts of public employment where the Government are not the direct employer, each employing body will be required to make a declaration that its aim is to have equality of employment opportunity without regard to religious or political considerations.

(c) Every public body should have an approved code of employment procedure. Discussions will take place immediately with the local authority associations and with statutory bodies.

(d) A permanent statutory Local Government Staff Commission will be established with strong advisory powers to assist local authorities in the selection of candidates for senior and designated appointments, and a continuing duty of reviewing appointment procedures. While the structure of local government is being reviewed these functions will be assumed by an interim commission acting on a non-statutory basis.

(e) The idea of a Public Service Commission, concerned with certain aspects of staffing throughout the public sector, including both local government service and the Civil Service, raises far-reaching questions but will be further studied with a view to a report being put before the Northern Ireland Government as soon as possible.

19. The Joint Working Party on Housing Allocations, as well as dealing with methods of allocation, also brought to notice the much wider problem of the housing programme: the waiting lists, the age of much of the existing stock, and thus the great need for urgent schemes of redevelopment.
20. In its work on the development programme for the next five years the Government of Northern Ireland have concluded that an expanded housing programme is essential on social and economic grounds for the future welfare of Northern Ireland.

21. The Working Party had found that despite excellent recent progress by the housing authorities which compared very favourably with that in Great Britain there are still substantial shortages in many areas. Moreover, on present evidence the proportion of outworn houses needing replacement, which is believed to number some 100,000, is substantially higher than that in England and Wales. No more than 3,500 were dealt with last year in Northern Ireland. The Government have concluded that this is an emergency situation requiring emergency measures. They have therefore decided reluctantly that local authorities are not geared and cannot be geared to handle such a task and that the best hope of success lies in the creation of a single purpose, efficient and streamlined central housing authority (helped by the development commissions in their own areas) to tackle this most urgent problem.

22. This difficult decision was taken by the Government only after much anxious thought and advice from various bodies. The Government are convinced that the disadvantages are clearly outweighed by the advantages to the whole community to be derived from a much larger housing programme. It was recognised by the Home Secretary that this decision to set up a central housing authority would have financial consequences which will be urgently discussed between the two Governments.

23. Both Governments recognise that private enterprise has a major role to play and the Northern Ireland Government will consider what further measures might be taken to stimulate private house-building. The financial cost of such measures will be examined by the Ministry of Finance and the Treasury in the normal way.

24. The Northern Ireland Government declared their intention that there should be a phased transfer of housing to the central authority and it would immediately enter into discussions with the Local Authority Associations, the Staff Associations and the Housing Trust on the many complex problems which will arise, so as to ensure that there is a smooth transfer and no disruption of current housing programmes. Among the many advantages not
previously referred to which will be gained from this new initiative the Government foresee: a common public authority rent structure throughout Northern Ireland; improved mobility, which is the key to regional development; an end to allegations about sectarian discrimination in housing allocations; the attraction of more high-quality professional and administrative staff to housing work and the opportunity to use modern, efficient management techniques; economies of scale; organisation of contracts to ensure a steady demand on housing contractors and thus more efficient building; elimination of unnecessary variety coupled with greater opportunities for research and experiment; the introduction of advanced estate management throughout the country which will be in the hands of qualified housing managers; but above all a new opportunity to solve Northern Ireland's housing problems in the foreseeable future.

25. The Home Secretary endorsed the finding of the Joint Working Party that the Ministry of Development's model points scheme was soundly based and supported the measures being taken by the Northern Ireland Government to have it adopted by all authorities during the interim period.

26. The Northern Ireland Government proposed to mount a survey of the condition of the housing stock in Northern Ireland in order to establish objectively the extent to which housing conditions vary in different parts of Northern Ireland and to enable objective comparisons to be made with those in England and Wales.

27. It was recognised that the decision to set up a central housing authority had important consequences. Firstly, a concerted housing drive will require the assured provision of water and sewerage and their organisation on a scale and in step with house-building; road programmes to suit; and above all the prompt release of land for housing estates, redevelopment and attendant social and recreational services. Secondly, the consequent shape and size, and especially the staffing of local councils without housing functions will have to be re-assessed, together with the implications for the social services at present discharged by local government - health, welfare, child care, education and libraries - whose future administrative structure is also under review.

28. To those ends, the Government of Northern Ireland proposed to set up a review body which would be broadly based and include representatives of the two main religious denominations as well as of business, professional and trade union interests to review in conjunction with the Ministries in Northern Ireland and local authorities current proposals for reshaping local administration
and to advise on the most efficient distribution of the relevant functions under the Parliament and Government of Northern Ireland.

29. The United Kingdom Government recognise the validity of those consequences of the major decision on the housing drive and fully support the proposal to set up a review body on local administration.

30 The Ministers of both Governments agreed that the decisions made following the report of the Police Advisory Committee, together with the measures designed to stimulate the economy of the province, and the steps taken by the Northern Ireland Government to ensure a common standard of citizenship constituted a comprehensive programme of reform which gave to all citizens of Northern Ireland the opportunity to live in harmony and prosperity and deserved the full support of everyone.

10th October 1969
CABINET

TERMS FOR PARTIAL CONTRACTING OUT OF THE NATIONAL SUPERANNUATION SCHEME: DRAFT WHITE PAPER

Note by the Secretary of State for Social Services

At their meeting on 9th October (CC(69) 47th Conclusions, Minute 5) the Cabinet invited me to bring before them the draft of a White Paper on the terms of abatement for contracted out employees under the new national superannuation scheme. I now do so.

R.H.S.C.

Department of Health and Social Security, S.E.1,

13th October, 1969
INTRODUCTION

1. Last January in the White Paper "National Superannuation and Social Insurance" (Cmd. 3883) the Government put forward their proposals for a national superannuation scheme, in which both the pensions and the contributions were fully earnings-related, and which was designed to work in partnership with occupational pension schemes. Facilities for partial contracting out were included as an integral part of the arrangements, so as to reduce the need for occupational pension schemes to be cut back to take account of the enlarged State scheme. Since January, these contracting out arrangements have been worked out in much more detail, and submitted for consideration to a wide range of representative organisations. After taking full account of the views of these organisations and following extensive discussions with them, the Government have now reached their decisions on the contracting out provisions for inclusion in the Bill which will embody their proposals for earnings-related social security. They intend to present the Bill to Parliament early in the new Session. The main features of the contracting out arrangements are described in the present White Paper.

2. Among those consulted in preparing the arrangements were the Trades Union Congress, the Confederation of British Industry, the Life Offices Association and Associated Scottish Life Offices, the National Association of Pension Funds, the representatives of the nationalised industries: there have also been discussions with a number of others, including representatives of the local authority associations.

STRUCTURE OF ABATEMENT SYSTEM

3. Basis of contracting out arrangements. The basis of the proposed contracting out arrangements was outlined in chapter 5 of "National Superannuation and Social Insurance". Contracting out was to affect retirement pensions paid from the National Superannuation Fund and contributions to that Fund. For an employee not contracted out these contributions were to amount to $4\frac{1}{2}$ per cent of his earnings, subject to a ceiling, and his employer was to contribute $4\frac{1}{2}$ per cent on the whole of the employee's earnings. The total contributions of which these formed part were to be at the rate of $6\frac{1}{2}$ per cent for the employee and at the same rate for the employer. Since publication of the White Paper the contracting out arrangements proposed have been thoroughly tested in discussion and they are now adopted in the following form. Employees who are contracted out by their employers as members of an occupational pension scheme will pay national superannuation contributions at a lower percentage of their earnings than other employees, and the employer's contribution for them will also be at a lower percentage up to
the scheme's earnings ceiling (of about £36 a week in terms of April 1969 earnings). As counterpart, there will be a deduction from the employee's personal retirement pension under the State scheme, which will be made good by a pension guaranteed to him under his occupational scheme. Technically, this is known as an "abatement" system, the reductions in State scheme contributions and benefits being referred to as "abatements". The contribution abatements will apply to periods of contracted out service occurring at any time between the beginning of the income tax year in which an employee reaches the age of 19 and attainment of State pensionable age (65 for men, 60 for women).

4. If an employee leaves an employment after less than 5 years' contracted out service it will be open to his employer either to provide him with an occupational pension of the required amount, or alternatively to buy him back fully into the State scheme by making a "payment in lieu of contributions" to that scheme. This "payment in lieu" will be simply the amount needed to make up to the full rate the abated contributions paid by the employee and his employer. Under the present contracting out arrangements, the employer will have a right to recover the employee's share of the "payment in lieu" from any refund of occupational scheme contributions due to him for the period concerned. In conformity with the Government's general policy on the preservation of occupational pension rights, as set out in chapter 6 of "National Superannuation and Social Insurance", the employer will be required to provide an occupational pension (deferred or in payment, according to the employee's age) for any employee who leaves after his contracted out service under the new scheme has lasted for 5 years or more.

5. An "undynamised" abatement system. In developing the proposals for partial contracting out, a basic issue to be decided was whether the pension to be guaranteed by the occupational scheme should be fixed in money terms, or whether, as proposed for the State pension, it should be subject to revaluation every two years to reflect movements in price and earnings levels. It was argued by the nationalised industries in particular, that contracting out facilities should be provided under which the part of the State pension for which the occupational schemes took over responsibility would include a "dynamic" element; that is, as a condition for contracting out, the occupational scheme would have to guarantee to provide an amount of pension to be revalued periodically, up to the point of award, in line with the rise in national average earnings, in the same way as State pension entitlement will be revalued. This was seen as a means of enabling schemes which have pensions based
on the employee's final salary - and thus already include a "dynamic" element - to live alongside the new State scheme without the need for substantial adaptation of their own provisions.

6. The Government saw two obstacles to this suggestion. In the first place, there would be no satisfactory basis for determining what abatements should be allowed from the State scheme contributions under a system which required the occupational scheme to guarantee to provide a pension incorporating at least as high a degree of "dynamism" as the State pension; this is because the cash amount of pension to be provided at pension age by the occupational scheme could vary over a very wide range depending upon the future movement of earnings. Secondly, it was clear that although certain large schemes would feel able to bind themselves to fulfil the open-ended commitment involved, smaller schemes in the private sector - and indeed many of the larger schemes - would not feel able to undertake to do this. Unless therefore there was a different contracting out system for them, which would overcomplicate the arrangements, they would effectively be denied a contracting out option.

7. For these reasons, the Government have decided that they should provide a single contracting out system and that this should be "undynamised". Thus, the pension to be guaranteed by the occupational scheme will be fixed at a specific cash amount (related to the employee's earnings) and the State scheme will be responsible for providing each contracted out employee with the same enhancements of his pension to reflect price and earnings rises as if he had not been contracted out. This means that for contracted out employees the State scheme will be providing these improvements, not only on the amount of their State pension, but also on the amount of pension which their occupational scheme is required to guarantee. This is a factor of considerable importance in assessing the State benefits which contracted out employees will receive in return for their contributions.

8. A single level of abatement. The nationalised industries were also prominent in representing that, even though there were to be only one kind of contracting out system, there would be advantage in offering abatement at more than one level. Employers would thus be able to choose whether to take over responsibility for a smaller or larger slice of the State scheme's pension. Those supporting this view argued that such a choice would be helpful in limiting the need to adapt occupational schemes since, in each case, the abatement level could be selected which best fitted in with the scale of benefits already provided under the particular occupational scheme.
9. The Government examined this suggestion with great care. They had to weigh its attractions against the consideration that to have alternative contracting out options, associated with alternative levels of State scheme contributions, would be bound to add complication and difficulties on the introduction of the new State scheme. A fully earnings-related State pension scheme cannot avoid a considerable degree of complication as examples of such schemes in other countries show; but to keep the scheme understandable is essential to its smooth introduction and effective working. It is significant that nowhere else in the world has a precedent been found for incorporating in such a fully earnings-related scheme a contracting out facility - even at one level - designed to provide a basis of partnership with occupational schemes. Having weighed the advantages and disadvantages, the Government have been bound to conclude that, even though a choice between two levels of abatement would help some occupational schemes, the interests of contributors and employers in having clear-cut arrangements require that there should be no more than a single contracting out option.

PENSION ABATEMENTS

10. The pension abatements for men. The essential nature of the contracting out facility having been decided, it was possible to tackle the crucial question of the level at which the pension abatements and the contribution abatements should be set. There was general agreement that it would be right to consider first the best level of pension abatement and then to settle the abatement terms by deciding what the contribution abatements should be for these pension abatements. Clearly, the pension abatements must not be set so high as to be in any danger of more than eliminating the whole State pension. This points to a level of abatement not exceeding the minimum rate at which pension builds up in the State scheme, i.e. the rate of build-up for a person who is 19 when the scheme starts and earns throughout at the top earnings level covered by the scheme. Taking this into account, the Government suggested initially, as a basis for discussion, that the right annual pension abatement for men might be around 0.8 per cent of the employee's reckonable earnings in his contracted out employment, or perhaps slightly higher.

11. In the event, the response from those concerned with occupational schemes showed that there would be wide support for going beyond a pension abatement of 0.8 per cent and setting the pension abatement level at 1 per cent of reckonable earnings. Some of those particularly concerned with the larger schemes would have wished
to go higher - even as high as 1.8 per cent of reckonable earnings. This would mean, however, setting the pension to be guaranteed by occupational schemes at a level which many schemes with a moderate scale of benefits would not be able to match. With a pension abatement much above 1 per cent of earnings, there could be no guarantee that, even allowing for rising earnings, abatement would not eventually lead in some cases to the total elimination of the State pension. There would also be a serious risk that contracted out employees, particularly those in the younger age groups at the start of the new scheme, would qualify for lower State pensions than they would have received under the present scheme. This in turn would mean that some occupational schemes wishing to contract out would actually have to increase their benefits for particular groups of employees if the total State and occupational benefits of these employees were not to fall below their existing level. This would add to the problems of adjustment which it is the Government's intention to minimise.

12. The Government have decided, in the light of the response to their earlier proposal, that it would be right to raise the level of pension abatement for men to 1 per cent of reckonable earnings. Most of those who took part in the discussions agreed that this is the best single level of abatement for men, in that it will most easily enable schemes to live alongside the State scheme. A 1 per cent pension abatement will mean that for each £1,000 of earnings on which an employee contributes to the State scheme at the contracted out rate, his State pension will be lower by £10 a year than if he had paid the full contribution on those earnings; and his occupational scheme will have to guarantee to provide an equivalent amount of pension.

13. The pension abatements for women. It has all along been recognised that if the pension abatements for women were to be set at the same level as for men, their contribution abatements would have to be higher than for men. This is because it necessarily costs much more to provide a given rate of pension for a woman from her minimum pension age of 60 than for a man from his minimum pension age of 65. Among those consulted, there were differences of view on whether it would be better to start off the new scheme with a common pension abatement for men and women, or a common contribution abatement; everyone recognised that it would not be possible to have both. The Government have decided that, taking into account convenience of payrolling for employers, it will be best to start the scheme with a common contribution abatement for both sexes, so that for contracted out employees, as for others, the contribution rates for men and women will be uniform. In view of the many changes that will affect employers at the start of the scheme, there is a strong case for making the initial arrangements as simple as possible, even though, later on, circumstances could arise as a result of which the contribution abatements for men and women might diverge.
14. The Government Actuary was asked to advise what the pension abatement should be for women to match a pension abatement of 1 per cent of earnings for men, on the assumption that the contribution abatement would be uniform for both sexes. As shown in paragraph 7 of the annexed memorandum, he advised that the pension abatement for women should be set at 0.55 per cent of reckonable earnings. The interests consulted have not differed from this advice, which the Government have accepted.

CONTRIBUTION ABATEMENTS

15. Basis for assessing the contribution abatements. Having secured a wide measure of agreement on the pension abatements, the next step was to determine the contribution abatements. The Government referred this question for advice to the Government Actuary, who is the Government's independent professional adviser on all actuarial matters and is responsible also for advising a number of occupational pension schemes in the public sector. The general basis for assessing the contribution abatements had been laid down in paragraph 139 of "National Superannuation and Social Insurance", which said that the "formula linking the deduction from contributions to the deduction from pension would be fixed in such a way that the total amount by which contributions were reduced - for employer and employee together represented, on average, the commercial cost of providing the pension for which the occupational scheme was taking over responsibility from the State. The main factors to be taken into account in fixing the formula would be the accumulation of interest on an invested fund, mortality, and the age distribution and earnings of contracted out employees".

16. Reviews of the abatement terms. Before the Government Actuary could make his assessment he needed to know what arrangements would be made for keeping the terms of abatement under review. The necessity for regular reviews was urged by all those consulted. But although assurance was needed that the terms would not be allowed to remain for long periods out of line with current costs, it was also essential that occupational pension schemes should be able to rely on a reasonable degree of stability in the arrangements.

17. To provide this stability the Government decided that the levels of pension abatement laid down should be regarded as a permanent feature of the scheme and that the legislation should contain no power for them to be altered. Thus, any changes
needed in the abatement terms from time to time, to reflect changes in the factors on which they are based, will be effected by altering the contribution abatements and not the pension abatements.

18. As the regular interval between reviews, a period of 4 years has proved generally acceptable to those consulted, and is what the Government have decided on. The Government recognise, however, that circumstances could occasionally arise in which this interval would prove to be too long. They have therefore decided - again with a wide measure of support - that there should be held in reserve the possibility of an additional review at the mid-point of any 4-yearly cycle if there had been such an exceptionally large change in the rates of interest or other relevant factors since the previous review as to leave the terms badly out of line with current circumstances. As part of their commitment on the review arrangements the Government now state, as their firm intention, that the initial terms laid down should remain in operation for at least 3 years from the start of the new scheme (including the time that will be needed to effect any change after it has been announced).

19. When the terms are due to be reviewed, the Government will arrange for consideration of the relevant factors by the Government Actuary and for consultation with representatives of occupational pension schemes and with both sides of industry. No decision will be made about any change in the terms before this consultation has taken place. Any change decided upon will be effected by Order requiring the affirmative resolution of both Houses of Parliament. A sufficient interval will be allowed after the announcement of the change to give employers time to review the effect on their occupational schemes and on their contracting out decisions. Any change will take effect from the beginning of an income tax year.

20. The Government Actuary's advice on the abatement terms. The Government Actuary advised that, on actuarial grounds, taking into account the arrangements for periodic review of the abatement terms, a contribution abatement amounting to 2.5 per cent of the employee's reckonable earnings - that is 1.25 per cent each for employee and employer - would represent terms which should be fair both to the average contracted out scheme and to employees not contracted out. The full text of the Government Actuary's advice is reproduced in the annexed memorandum. He based his calculations on the following assumptions:

1. Interest. The average yield obtainable on new investments in the first 4-year period from the start of the new scheme would be 7½ per cent and the average yield on reinvestments of interest over the period until the employees concerned reached pensionable age would be 5½ per cent.
2. **Mortality.** The mortality rates should be based on the rates used in the national population projections, adjusted to take account of the lower mortality experienced among members of occupational pension schemes and making allowance for future improvement in mortality in the light of past experience.

3. **Expenses.** 7 per cent of the amounts derived from contribution abatement would be absorbed in meeting expenses.

21. The correctness of the Government Actuary's advice, on the basis of the assumptions he had made, was not challenged. But there were various criticisms of the assumptions themselves, leading up to the general criticism that the terms were too tightly drawn because they provided no financial inducement to the average scheme to contract out and would be particularly unattractive to schemes with a membership older than the average.

22. Suggestion that a financial inducement to contract out should be linked with "super-abatement". It would undoubtedly encourage the spread of occupational schemes if it were known that by setting up a contracted out scheme an employer could reduce his own contributions to the State scheme and those of his employees by an amount which would be more than sufficient to provide pensions equivalent to the deductions from the State pension. The resultant "profit" could either be used to limit the occupational scheme contributions of employers and employees (so that in total they would pay less than if the employees participated fully in the State scheme) or else could go to provide occupational scheme pensions which would be higher than the amounts deducted from the State pension.

23. In order to secure that generous contribution abatements would be used for providing extra pension under any schemes set up with the intention of contracting out, and not for other purposes, it was suggested by some of those consulted that it should be made a condition for contracting out that the pension to be guaranteed by the occupational scheme must be higher by, say 20 per cent than the amount to be deducted from the State pension. The Government recognise the force of the argument for an arrangement of this sort, which has been called "super-abatement". After careful consideration, however, and taking into account the strong body of opinion against it, they have decided that super-abatement should not be adopted. In the first place, anything other than a direct equivalence between the pension abatement and the amount of pension to be guaranteed by the occupational scheme would make the arrangements more difficult to understand and to work. Secondly, although super-abatement would ensure that "profits" derived from occupational schemes set up with the intention of contracting out went into the provision of better pensions,
it would by no means follow that contracted out employees were paying a proper contribution to the State scheme for the benefits they would receive from it. On the contrary, if the contribution abatements were large enough to ensure that, for no greater total contributions to the State scheme and their occupational scheme, contracted out employees could be guaranteed higher total pensions than other employees, this must mean that the contributions of contracted out employees would not represent their fair share of the cost of the State scheme. To provide conditions in which occupational schemes will thrive is one of the Government's prime objectives, but it cannot be pursued by means which would be unjust to those employees who are not members of occupational schemes.

24. Decision on the abatement terms. The Government recognise however that the age distribution of individual schemes may be wide of the average; they recognise too that the large majority of schemes have only a small number of members, and that in consequence they tend to have costs which are disproportionately high. The effect of these factors will vary as between schemes; but as the Government Actuary has explained in paragraph 9 of his memorandum, even a slight "improvement" in the contracting out terms could significantly increase the number of schemes which decide to take advantage of the contracting out facility. Admittedly, such an "improvement" would have to apply to all contracted out schemes, including those which would have found terms based on strict averaging acceptable. Furthermore, the interest rates used by the Government Actuary in his calculations (paragraph 3 of his memorandum) are so much below those now ruling that a continuance of interest rates at their present levels would make the contribution abatements he has recommended more than sufficient in most cases to provide the amounts of pension to be guaranteed, even for schemes with above-average costs. But the fact remains that, for a large number of schemes, even a slight adjustment of the terms could prove to be crucial. After careful consideration, the Government have decided that, for this reason, they are justified in going beyond the terms recommended on strict actuarial grounds by the Government Actuary, and setting the contribution abatements for both men and women at 2.6 per cent of reckonable earnings i.e. 1.3 per cent a side. This should make a significant difference to the number of schemes contracted out, and is thus consistent with the Government's aim of providing scope for at least as much contracting out as at present, and perhaps rather more. To have gone further and allowed contribution abatements of 1.5 per cent a side, as was urged by a great majority of the organisations consulted, would have left employees not contracted out with the legitimate complaint that the difference between their State scheme contributions and those of contracted out employees was greater than the difference in their pensions could justify.
**EFFECT OF ABATEMENT ARRANGEMENTS**

25. **Effect on contributions.** Assuming, as in "National Superannuation and Social Insurance", a total contribution of \(6\frac{3}{4}\) per cent of reckonable earnings \(*\) for employees not contracted out, a contribution abatement of 1.3 per cent a side would mean a contribution of 5.45 per cent (6.75 per cent less 1.3 per cent) for those contracted out. At the top of the earnings range covered by the scheme, a person contributing on £36 a week earnings (the approximate level of the new scheme's earnings ceiling at 1969 earnings levels) would pay 9s. 4d. a week less if contracted out than if participating fully in the State scheme; and there would be an equivalent reduction in the employer's contributions. The effect of increasing the contribution abatement to 1.5 per cent a side, as was urged by the great majority of the organisations consulted, would have been to add 1s. 5d. a side to the maximum reduction of State scheme contributions on account of contracting out.

26. The effects of the change from the present scheme contributions to the new scheme contributions on the amounts which contracted out employees have to pay will depend on the level of present scheme contributions at the time the new scheme starts. On the basis of the rates payable under the present scheme from 3 November this year, the following tables (see pages 14 and 15) compare the rates of contribution paid by employees at various earnings levels under the present scheme with those that would be paid by contracted out employees on the same earnings under the new scheme.

27. **Effect on the finance of the State scheme.** Since the national superannuation scheme will be financed on a pay-as-you-go basis, any contracting out facility is bound to bring forward the point at which an increase in the initial contribution rates will be needed to prevent the scheme's income falling short of its outgo. This is because the effect of the contribution abatements for those contracted out will be felt immediately, whereas the corresponding saving in pension expenditure will emerge only gradually as the people concerned come to draw their pensions. Detailed estimates, showing the effect on the finances of the State scheme of a 1.3 per cent a side contribution abatement with particular numbers of employees contracted out, will be given in the report by the Government Actuary on the Bill providing for the new scheme. It can be said now, however, that even allowing for some increase in the present numbers contracted out, the initial

\(*\) The employee's total contribution may not be precisely \(6\frac{3}{4}\) per cent of his reckonable earnings. This is because the 2 per cent for purposes other than national superannuation may require revision, for the reasons explained in paragraph 41 of the White Paper "Social Insurance; Proposals for Earnings-Related Short-Term and Invalidity Benefits" (Cmnd. 4124); no final decision has yet been taken, but the figures will be in the Bill shortly to be published.
contribution rate to the National Superannuation Fund proposed in Cmnd. 3883 (4½ per cent of earnings, subject to a ceiling, for employees; and 4½ per cent, with no ceiling, for employers) should, on the terms of abatement set out above, be sufficient for 5 years or so after the start of the scheme.

CONCLUSION

28. In devising the arrangements for partial contracting out of the national superannuation scheme the Government's aim has been to provide a firm basis for partnership between the State scheme and occupational schemes. The form of this partnership has to take account of the wide variety among schemes both in size of membership and scale of benefits. Decisions about contracting out are ultimately for individual schemes and for employers to take, but the Government's purpose has been to settle terms consistent with the aim of enabling the number of employers contracted out to continue at least at the same level as under the present scheme, and perhaps rise rather higher. After careful consideration, the Government have decided that it would be right to provide abatement terms rather more favourable to occupational schemes than could be justified on a strict actuarial calculation based on averages. They have recognised, however, that such an improvement must not be pressed beyond the point at which it would become unfair to the many employees who have no opportunity of membership of a contracted out scheme. To have accepted the view of the great majority of organisations consulted that the contribution abatements should be set at 1.5 per cent a side of reckonable earnings, in relation to the pension abatements proposed, would have involved a deliberate and unjustified tilting of the balance against those employees who were not contracted out.

29. Taking all these considerations into account the Government's decision is that, subject to Parliamentary approval, partial contracting out of the national superannuation scheme should be on the basis of pension abatements amounting to 1 per cent of reckonable earnings for men and 0.55 per cent of reckonable earnings for women; and that, as counterpart, the abatements of the employees' and employers' contributions should be 1.3 per cent a side of the employee's reckonable earnings, for both men and women. These terms, which would remain in effect for at least the first 3 years of the scheme, would be reviewed at 4-yearly intervals - with the possibility of a change half way through the 4-yearly cycle, but only if there had been such an exceptional change in interest rates or other relevant factors as to make the current terms badly outmoded.

30. The new State scheme will replace the existing scheme of national insurance, which provides a basic flat-rate retirement pension with a small graded element, by a comprehensive scheme of fully earnings-related national superannuation which will for the first time offer to all contributors, whether or not they enjoy
the cover of an occupational scheme, retirement pensions at an adequate level. This will necessarily require employers and others responsible for the management of occupational schemes to consider what adaptations might be needed to take account of the changes in the State provision. The Government have recognised from the outset that for many occupational schemes, particularly those which make substantial provision for their members, the conclusion must be that some adjustments would have to be made. The adjustments needed would not, of course, reduce pensions already earned; they would affect future contributions and the future build-up of benefits. The form of adjustment may differ from scheme to scheme, as best served the interests of the scheme members (and in some cases the scheme may be enlarged so as to satisfy the contracting out conditions). The purpose of the contracting out system is to offer good occupational schemes the opportunity of limiting the degree of adaptation needed, by abatement of the State scheme contributions and benefits. The Government are confident that the arrangements for partial contracting out set out in this White Paper will be of substantial assistance in reducing the disturbance caused and in making it easier for occupational schemes to live alongside the new State scheme - whose main object it is to ensure a better standard of pension provision than ever before, financed on a basis which will be fair to all.
The figures for women in column (2) are for those contributing under the present flat-rate national insurance scheme. For married women and widows who have opted not to do so (and who are therefore liable only for the industrial injuries contribution of 8d a week) the figures in column (2) will all be 14s 4d less; and 14s 4d therefore needs to be added to the figures in column (4).
### Table B

Total present-scheme and new-scheme contributions (including amounts for the industrial injuries scheme and the National Health Service) paid by employees contracted out under both present and new schemes.

| Level of weekly earnings | Present scheme | | New scheme | | Change in contributions |
|--------------------------|----------------|----------------|----------------|---------------------|
|                          | Employees total weekly contribution (flat-rate plus graduated) | | Employee's total contribution (expressed as a weekly rate) | |
|                          | (1) | (2) | (3) | (4) |
| Men                      | s  | d  | s  | d  | s  | d  |
| 212                      | 20 | 6  | 13 | 1  | -7 | 5  |
| 218                      | 21 | 4  | 19 | 7  | -1 | 9  |
| 224                      | 25 | 2  | 26 | 2  | +1 | 0  |
| 230                      | 28 | 9  | 32 | 8  | +3 | 11 |
| 236 (ceiling)            | 28 | 9  | 39 | 3  | +10| 6  |
| Women                    | s  | d  | s  | d  |     |     |
| 308                      | 16 | 6  | 8  | 9  | -7 | 9  |
| 312                      | 16 | 11 | 13 | 1  | -3 | 10 |
| 318                      | 17 | 9  | 19 | 7  | +1 | 10 |
| 324                      | 21 | 7  | 26 | 2  | +4 | 7  |
| 330                      | 25 | 2  | 32 | 8  | +7 | 6  |
| 336 (ceiling)            | 25 | 2  | 39 | 3  | +14| 1  |

The figures for women in column (2) are for those contributing under the present flat-rate national insurance scheme. For married women and widows who have opted not to do so (and who are therefore liable only for the industrial injuries contribution of 8d a week) the figures in column (2) will all be 15s 10d less; and 15s 10d therefore needs to be added to the figures in column (4).
Memorandum by the Government Actuary on Terms of Contracting Out

1. The White Paper of January 1969 (Cmnd. 3883) stated the principle that for employees subject to partial contracting out the deduction from National Superannuation contributions should be linked to the deduction from pensions on the basis of "commercial cost". The considerations involved are similar in many ways (but not all) to those which enter into the assessment of rates of premium on life office pension contracts and contributions to self-administered occupational pension schemes. I have been asked to advise the Secretary of State for Social Services on (i) the contribution abatement that would be appropriate to a pension abatement for a man of 1% of earnings and (ii) what the corresponding pension abatement should be for a woman if her contribution abatement were the same as for a man.

2. The rates of single premium charged by life assurance companies for without-profit pensions provided an obvious starting point for assessing "commercial cost" but these rates were unsatisfactory as a basis for several reasons. In the first place the rates vary considerably from one office to another; secondly, fewer than one-half of the members of occupational pension schemes have their benefits provided through contracts with life assurance companies and there has been a marked trend in recent years for such contracts to be on a with-profits basis. Those covered by without-profit contracts are nowadays very much in a minority and are usually members of smaller schemes, which tend to be relatively expensive to administer. It was also difficult to derive a suitable basis from a consideration of the finances of privately-administered funds for many reasons including the fact that provision is usually made, directly or indirectly, for future changes in earnings levels which are irrelevant when considering terms for contracting out under the system proposed. It was, therefore, necessary to make a special calculation taking into account the basic factors of interest, mortality and expenses.
Interest

3. It is intended that the terms for contracting out should be examined at four-yearly intervals, with the possibility of a review at the mid-point of any four-yearly cycle if circumstances demand it. I have considered the rates of interest at which it might be possible to make investments in the first four-year period from the start of the new scheme, the target date for which is 1972. The yield at present obtainable on long-term British Government securities is over 9%. This is historically high and in assessing "commercial cost" some reduction should, in my view, be allowed for; I have thought it reasonable to assume that an average yield of 7½% would be obtainable on new investments in the period in question. Investments made during these four years will themselves produce income which will need to be reinvested until the employees concerned reach retirement age. I have assumed that the average yield obtainable on such reinvestments will be 5½%.

Mortality

4. The mortality assumptions have to be appropriate to members of occupational schemes which cover employees in a wide range of occupations. The Continuous Mortality Investigation Bureau of the Institute and the Faculty of Actuaries has examined the mortality of members and pensioners under insured pension schemes and I have used the results of these investigations, supplemented by data from a number of large public service schemes, to obtain factors indicating the amounts by which mortality under occupational schemes is lower than that of the population of England and Wales. The calculations were based on the mortality rates used in the national population projections adjusted by the above factors. These rates make allowance for future improvement in mortality in the light of past experience. Specimen rates are shown in Table 1.

Expenses

5. I have assumed that 7% of the amounts derived from contribution abatements will be absorbed in meeting expenses. From the information available to me this is likely to be greater than the provision needed by large pension schemes where economies of scale can be assumed, but below the provision in small schemes which are relatively costly to administer.

Relationship
Relationship between abatement of pension and abatement of contribution

6. Using these bases, calculations were made of the relationship which should hold between the abatement of contribution at any given age and the corresponding abatement of pension. Under the proposed method of contracting out, however, it is essential for practical reasons to have one average factor for all men irrespective of age, and a corresponding factor for women. This involves a system of averaging which should take account of the distribution according to age and earnings of members of pension schemes; for this purpose I have used the distribution of employees contracted out under the existing arrangements. Under the proposals it will be possible for an employee leaving a recognised pensionable employment to be brought back into the State scheme by making a "payment-in-lieu" if the contracted out employment has lasted less than five years; after that, the occupational scheme will have to make provision for preserving the pension. The making of a payment-in-lieu will effectively cancel contracting out and most such cases will occur at the younger ages. To allow for this I have used the distribution by age and earnings of employees now contracted out at ages 25 and over (see Table 2). On this basis the abatement for men is 2.5 per cent of reckonable earnings, that is 1.25 per cent each for employee and employer in return for an abatement of 1 per cent of earnings from the pension eventually receivable from the State.

7. There is to be a common rate of contribution abatement for both sexes but allowance has to be made for the facts that women live longer than men, their pensionable age is five years younger and their distribution according to age and earnings is different. Taking these into account the pension abatement for women (corresponding to 1% for men) is 0.55% of earnings.

8. Although the above average relationships will, in my view, be fair, as between those contracted out of the State scheme and those not contracted out, and will be appropriate for most schemes, the actual age distribution of a scheme will be an important factor to be considered by an employer when deciding whether or not to contract out. Those with an unusually young staff should find the abatements of contribution more than adequate to replace the part of the State pension which their employees will forfeit on contracting out, whereas the reverse will apply to those with a staff whose average age is relatively high. It is impossible with a scheme based on averages to avoid these effects in such cases.
9. Something can be done, however, to ease the difficulties of schemes which find these "average" terms barely attractive enough on financial grounds. I understand that for this reason the Government have decided to allow an abatement of contribution of 1.3% a side of earnings, instead of 1.25%, for a pension abatement of 1% of earnings for men or of 0.55% for women. The average ages for the various schemes tend to be closely concentrated about the "breakeven" point and this improvement in the terms should be sufficient to make them financially acceptable to a further number of schemes covering an appreciable number of employees.

Revision of terms

10. The need for revision of the terms of contracting out will occur if there has been a significant change in interest, mortality or expenses and periodical reviews will have to take into consideration any movement in these.

11. The basis of averaging the calculated age-related rates in order to arrive at the single factors required in practice is also of great importance and will have to be considered carefully in relation to information regarding the numbers, ages and earnings of employees contracted out of the new scheme and further information which may become available regarding the membership of occupational pension schemes as a whole.

HERBERT TETLEY

Government Actuary's Department.
## Table 1

Specimen Rates of Mortality Assumed in Calculating Rates of Contribution Abatement

Probability of death within one year of attaining the age shown in the first column \( (q_x) \)

<table>
<thead>
<tr>
<th>Age ( x )</th>
<th>Calendar year in which age ( x ) is attained</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1976</td>
</tr>
<tr>
<td><strong>MEN</strong></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>.0007</td>
</tr>
<tr>
<td>25</td>
<td>.0007</td>
</tr>
<tr>
<td>30</td>
<td>.0007</td>
</tr>
<tr>
<td>35</td>
<td>.0010</td>
</tr>
<tr>
<td>40</td>
<td>.0016</td>
</tr>
<tr>
<td>45</td>
<td>.0029</td>
</tr>
<tr>
<td>50</td>
<td>.0054</td>
</tr>
<tr>
<td>55</td>
<td>.0099</td>
</tr>
<tr>
<td>60</td>
<td>.0187</td>
</tr>
<tr>
<td>65</td>
<td>.0310</td>
</tr>
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<td>70</td>
<td>.0483</td>
</tr>
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<td>75</td>
<td>.0741</td>
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<td>80</td>
<td>.1129</td>
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<td>85</td>
<td>.1685</td>
</tr>
<tr>
<td>90</td>
<td>.2431</td>
</tr>
<tr>
<td>95</td>
<td>.3076</td>
</tr>
<tr>
<td><strong>WOMEN</strong></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>.0002</td>
</tr>
<tr>
<td>25</td>
<td>.0002</td>
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<tr>
<td>30</td>
<td>.0004</td>
</tr>
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<td>.0006</td>
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<td>45</td>
<td>.0015</td>
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<td>50</td>
<td>.0026</td>
</tr>
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<td>55</td>
<td>.0044</td>
</tr>
<tr>
<td>60</td>
<td>.0078</td>
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<td>.0133</td>
</tr>
<tr>
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<td>.0230</td>
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<tr>
<td>75</td>
<td>.0407</td>
</tr>
<tr>
<td>80</td>
<td>.0666</td>
</tr>
<tr>
<td>85</td>
<td>.1197</td>
</tr>
<tr>
<td>90</td>
<td>.2102</td>
</tr>
<tr>
<td>95</td>
<td>.2880</td>
</tr>
</tbody>
</table>
Table 2
Percentage distribution of total earnings* in quinquennial age groups used as weights in calculating the average rates of contribution abatement

<table>
<thead>
<tr>
<th>Age</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-29</td>
<td>9.4</td>
<td>12.9</td>
</tr>
<tr>
<td>30-34</td>
<td>12.4</td>
<td>11.3</td>
</tr>
<tr>
<td>35-39</td>
<td>13.9</td>
<td>12.4</td>
</tr>
<tr>
<td>40-44</td>
<td>15.3</td>
<td>15.5</td>
</tr>
<tr>
<td>45-49</td>
<td>15.7</td>
<td>16.9</td>
</tr>
<tr>
<td>50-54</td>
<td>13.8</td>
<td>17.0</td>
</tr>
<tr>
<td>55-59</td>
<td>12.5</td>
<td>14.0</td>
</tr>
<tr>
<td>60-64</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

* excluding earnings in excess of £1,900 per annum at April 1969 earnings levels.
14th October, 1969

CABINET

PUBLIC EXPENDITURE: 1971-72

Memorandum by the Chancellor of the Exchequer

The Cabinet invited me to arrange for officials to make detailed proposals in order to put into effect our decision to trim the public expenditure programmes for 1971-72 so as to reduce demand by £300 million (CC(69) 44th Conclusions, Minute 3, Conclusion (2)). The aim was to do this by means of reductions of about £350 million in expenditure terms. Rather more than half was to come from the nationalised industries and defence and the rest from the civil programmes; and local government current expenditure was to be taken into account in finding the reductions from the civil programmes.

2. Discussions at official level have been held between the Treasury and the spending Departments individually and in the interdepartmental Public Expenditure Survey Committee, all Ministers' positions being reserved. The possible changes in expenditure plans which have been identified on this basis amount to a total of just over £350 million, and I estimate that, assuming all the items to be adopted, the effect would be to reduce demand by the £300 million specified in our remit. This will still leave the total of civil and defence programmes 3.7 per cent higher in 1971-72 than in 1970-71 on a constant price basis. Including nationalised industries' investment, total public sector expenditure would increase by about 3.2 per cent over this period. (Projections on a constant price basis will understate the share of national resources which existing policies will pre-empt, since, on balance, prices rise faster in the public sector than in the private sector. To allow for this fact (the 'relative price effect'), about \( \frac{2}{3} \) per cent would need to be added to the percentage increases given in this paragraph, so that the total of civil and defence programmes would rise in 1971-72 by about 4\( \frac{1}{2} \) per cent and total public sector expenditure by just under 4 per cent.)
3. The total of the reductions is made up as follows:

<table>
<thead>
<tr>
<th></th>
<th>Reductions in consequence of decisions on earlier years</th>
<th>Other changes since the 1969 Survey estimates</th>
<th>New proposals</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>Defence Budget</td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Nationalised Industries¹</td>
<td>103</td>
<td>-</td>
<td>20*</td>
<td>123</td>
</tr>
<tr>
<td>Capital Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civil Programmes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Authorities¹</td>
<td>-</td>
<td>-</td>
<td>34*</td>
<td>172</td>
</tr>
<tr>
<td>Current Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>51</td>
<td>19</td>
<td>68*</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>154</td>
<td>19</td>
<td>182</td>
<td>355</td>
</tr>
</tbody>
</table>

*Note:* The figures in column (3) are subject, if necessary, to compensating adjustments between each other.

This distribution follows closely the outline plan in my memorandum C(69) 118, on which we instructed officials to work. The resulting rates of increase or decrease in the main programmes, compared with the preceding year as we have decided it, are shown in the Annex to this paper, together with the corresponding rates as they were in the original 1969 Survey Report (SEP(69) 64).

The Defence Budget and the Nationalised Industries

4. If I can be assured of a reduction of £60 million in the Defence Budget, I propose that the reductions in nationalised industries' capital investment should be sought from -

(a) The Gas Industry's programme - £10 million.

(b) British Railways' basic programme - £10 million.
Civil Programmes

(a) Local authorities' current expenditure

5. We did not consider any major changes in plans for local authorities' current expenditure for 1970-71 because the Rate Support Grants for that year have already been settled. But for 1971-72 and later years these Grants have yet to be negotiated. The proposal is to restrict the rate of growth of local authorities' current expenditure in 1971-72 from the 5 per cent implied in the Survey to 4 per cent. (The rates of increase given in this paragraph take no account of the Relative Price Effect). This involves an overall reduction of about £34 million, and entails making it clear to local authorities that the next Rate Support Grant negotiations will be related to a 4 per cent average rate of increase in current expenditure on their various services. This would be above the rate of growth for public expenditure as a whole that could be presented as compatible with the objective - put forward as a planning assumption in "The Task Ahead" (Chapter 3, paragraph 7) and repeated several times since - that the rate of growth in public expenditure should be broadly in line with the growth of national resources as a whole. Nevertheless, on the basis that the average rate of increase in the rest of public sector expenditure, as reduced to conform with our remit to officials, would be about 3 per cent, I regard 4 per cent as a realistic basis for negotiating the next Rate Support Grant settlements. 4 per cent is, for instance, only slightly below the rate of growth shown in the 1969 Survey for local authorities' current expenditure on education, which accounts for over half the total. There is an issue as to how precisely to apportion the last few million pounds between services in presenting statistically a reduction of some £34 million on a total of some £3,500 million of local authorities' current expenditure, but I cannot believe that this is a serious stumbling block to determining the total of the reduction to be sought from the grand total of the expenditure.

(b) Other civil expenditure

6. The measures identified in officials' discussions, on the basis explained in paragraph 2, comprise the following reductions (apart from one or two small items which are still being examined):

<table>
<thead>
<tr>
<th>£ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Other Overseas Services</td>
</tr>
<tr>
<td>(2) Transport (other than roads and public lighting)</td>
</tr>
<tr>
<td>(3) Agriculture (land purchase for farm amalgamations, and horticultural markets)</td>
</tr>
<tr>
<td>(4) Housing and Local Environmental Services (on capital)</td>
</tr>
<tr>
<td>(5) Law and Order (mainly on capital from Police and Fire Services)</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>(6) Health and Welfare (capital)</td>
</tr>
<tr>
<td>(7) Social Security (by making the 1971 uprating on, say, 1st November, instead of 1st October as assumed in the 1969 Survey)</td>
</tr>
<tr>
<td>(8) Commons Services (Government building)</td>
</tr>
</tbody>
</table>

These reductions are expected to have relatively high demand effects, the main exception being the reduction in social security which would be only about a third of the saving in expenditure terms.

7. I recognise that the Department of Health and Social Security see the possibility of a short postponement of the 1971 uprating as an alternative in the event of other items being found unacceptable, rather than as an item to be considered in the first instance. Moreover, it would in principle result in higher expenditure in the subsequent period than if there were no postponement. (In principle a month's postponement would so affect the factors taken into account in upratings that additional expenditure would be incurred in 1972-73 of £14 million and in 1973-74 of £7 million. In practice, however, these effects might well be lost in the rounding of benefit rates up or down to complete shillings). On the other hand, a postponement of one month in the 1971 uprating would not be difficult administratively; and a saving of £19 million in 1971-72 from the postponement would be valuable in trimming the aggregate growth of public expenditure in that year to a rate not likely to be out of line with the growth of resources as a whole.

8. I am aware that some of my colleagues feel that there are strong arguments for additional expenditure on certain services. If these are to be pressed, then I reserve my right to suggest further reductions, in addition to those referred to in this paper.

**Conclusion**

9. I recommend as the means of putting our decision on 1971-72 into effect that programmes should be reduced as in paragraphs 4, 5 and 6.

R. H. J.

Treasury Chambers, S.W.1.

13th October, 1969
Rates of Increase in Main Public Expenditure Programmes, 1971-72 (1) as in 1969 Survey and (2) after Proposed Reductions

<table>
<thead>
<tr>
<th>Program</th>
<th>% inc. (+)</th>
<th>% dec. (-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defence Budget</td>
<td>-2.8</td>
<td>-2.3</td>
</tr>
<tr>
<td>Roads and public lighting*</td>
<td>+10.3</td>
<td>+9.9</td>
</tr>
<tr>
<td>Other assistance to employment and industry</td>
<td>-1.1</td>
<td>+0.3</td>
</tr>
<tr>
<td>Agriculture, fisheries and food</td>
<td>+2.2</td>
<td>+2.2</td>
</tr>
<tr>
<td>Housing</td>
<td>+4.0</td>
<td>+4.7</td>
</tr>
<tr>
<td>Local environmental services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Law and order*</td>
<td>+5.9</td>
<td>+5.8</td>
</tr>
<tr>
<td>Education and local libraries*</td>
<td>+5.3</td>
<td>+5.0</td>
</tr>
<tr>
<td>Health and welfare*</td>
<td>+4.2</td>
<td>+4.4</td>
</tr>
<tr>
<td>Social security</td>
<td>+3.0</td>
<td>+3.3</td>
</tr>
</tbody>
</table>

Note: *For the purposes of this table it is necessary to apportion the reduction proposed for local government current expenditure of £34 million (paragraph 5 of the main paper) between the various local government services. The following apportionment is illustrative only. In the event the distribution to be agreed for purposes of negotiation of the next Rate Support Grant settlement may be different; and the outcome of local authorities' eventual decisions may be different again.

£ million

<table>
<thead>
<tr>
<th>Program</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads</td>
<td>12.5</td>
</tr>
<tr>
<td>Environmental services</td>
<td>3.0</td>
</tr>
<tr>
<td>Law and order</td>
<td>4.9</td>
</tr>
<tr>
<td>Education</td>
<td>7.5</td>
</tr>
<tr>
<td>Health and welfare</td>
<td>3.6</td>
</tr>
<tr>
<td>Other</td>
<td>2.9</td>
</tr>
</tbody>
</table>

(5)
14th October, 1969

CABINET

OVERSEAS AID EXPENDITURE

Note by the Minister of Overseas Development

My first task as Minister of Overseas Development has been to study the alternative proposals for overseas aid expenditure from 1971-72 onwards contained in the 1969 Public Expenditure Survey Committee (PESC) Report on which Mr. Prentice has recently circulated a paper C(69) 130. I find that despite the wholehearted efforts of my predecessor in office to sustain and increase the official aid programme, it has in fact continuously and steadily declined since the Government took office in 1964. This is the case whether it is measured as a proportion of gross national product or as a proportion of public expenditure. Indeed, taking public expenditure departmental programmes since 1964, overseas aid and defence are the only two which have actually been reduced as a proportion of public expenditure. Under the Treasury proposals, it would continue to decline well into the 1970s.

2. I fully appreciate the balance of payments considerations which have up to now provided grounds for the decline and I understand also the Chancellor's reluctance to commit prematurely even a small part of the surplus now in prospect. But the net foreign exchange cost of a modest increase in the aid programme, which has been assessed interdepartmentally, would not be high. Furthermore, overseas aid is now a fundamental aspect of the international financial scene. Important recent evidence of this is the Report of the Pearson Commission, appointed by the World Bank, with its recommendations for an international aid strategy for the 1970s involving the early attainment of the 1 per cent UNCTAD target, including a substantial increase in official aid programmes.

3. With all these international pressures to increase and improve development aid programmes, I am convinced that it would be unwise and wrong for the Government to run down the aid programme in the early 1970s and announce this intention in the promised December White Paper on public expenditure. A decision of this nature would also be a heavy blow to many Labour supporters and to a large body of informed opinion in this country.
4. In these circumstances, I wish my colleagues to know that I most certainly endorse the proposals for an upturn in the aid programme contained in C(69) 130.

J. H.

Ministry of Overseas Development, S. W. 1.

14th October, 1969
15th October, 1969

CABINET

THE QUEEN'S SPEECH ON THE OPENING OF PARLIAMENT

Note by the Lord President of the Council

I have revised the draft of The Queen's Speech on the Opening of Parliament to take account of the decisions made in Cabinet yesterday. I have added a provisional paragraph on the coal industry (paragraph 24). Whether this and the paragraph on house rents (paragraph 31) remain in the Speech will depend on the outcome of the deliberations tomorrow.

2. The Cabinet asked that the possibility be examined of including a reference in paragraph 5 to chemical warfare and I have added a possible form of words to that paragraph in square brackets; to my mind the addition weakens the impact of the paragraph.

3. The other point outstanding is the form of the reference to the Northern Ireland situation in paragraph 5, which it was decided should include a reference to the suggested legislation. A decision on this will need to be taken at the last possible moment.

4. Including the passages in square brackets the draft now runs to 1,007 words, compared with the usual 1,000 words. This is without making any allowance for expanding the paragraph on Northern Ireland.

T.F.P.

Privy Council Office, S.W.1.

15th October, 1969
My Lords and Members of the House of Commons

1. My Husband and I look forward to our visits to New Zealand and Australia, and to attending the Cook Bicentenary Celebrations in both countries.

2. With the coming 25th Anniversary year of the United Nations, My Government reaffirm their support for the efforts to ensure peace and to assist the advancement of less developed countries. They will pursue their work through the United Nations for a just and lasting peace in the Middle East, and towards an international agreement on tariff preferences for the developing countries.

3. My Ministers will continue to play an active part in the North Atlantic Alliance as the foundation of our security and thereon to build better understanding between East and West.

4. My Government will maintain their application to become full Members of the European Communities and desire an early commencement of negotiations. They will take a full part in promoting other measures contributing to European unity.

5. My Government will strive for further progress on nuclear and non-nuclear arms control and disarmament. They will follow up with vigour the proposals they have put forward for a complete ban on biological methods of warfare, and will urgently consider what complementary proposals they can make to strengthen the existing constraints on chemical methods of warfare.

6. My Ministers will remain ready to assist in any way they can to bring peace to Nigeria and Vietnam.

7. My Government will continue working for an eventual return to constitutional rule in Rhodesia, in accordance with the principles approved by Parliament. They will steadfastly pursue their policy of economic sanctions and of maintaining isolation of the illegal regime until the conditions for an honourable settlement exist.
5. My Ministers will continue their efforts to ensure justice and to promote peace and harmony between all communities in Northern Ireland.

MEMBERS OF THE HOUSE OF COMMONS

9. Estimates for the public services will be laid before you.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

10. My Government will press forward their policies for attaining a substantial and continuing balance of payments surplus in order to meet our international obligations and rebuild our reserves, achieve a more rapid rate of economic growth, and safeguard employment. To this end they will continue to develop policies for promoting the efficiency and competitiveness of industry.

11. My Government will continue to work with other Governments to improve the international monetary system.

12. A statement will be presented to you of My Government's future plans for public expenditure.

13. My Government will continue to foster the fullest use of resources in all regions and will lay before you measures to provide for assistance to industry in intermediate areas.

14. Legislation will be introduced to secure the safety, health and welfare of persons on offshore drilling installations.

15. Bills will be brought before you to promote improved industrial relations and to provide for equal pay for men and women. Provision will also be made for certain reforms relating to industrial safety and health.

16. Legislation will be introduced to rationalise the work of the Monopolies Commission and the National Board for Prices and Incomes, and to combine them in a new body.
17. Proposals will be submitted to you for controlling the development of labour-only sub-contracting in the construction industry.

18. Bills will be introduced to amend the Merchant Shipping Acts and to make provision for the safety of fishermen.

19. Proposals will be brought before you to give effect to certain recommendations of the Committee of Inquiry into Civil Air Transport.

20. A Bill will be introduced to assist the film industry.

21. Legislation for the reorganisation of the ports will be presented to you.

22. Bills will be introduced to reorganise the electricity supply and gas industries and to enable the Gas Council to search for, refine and market petroleum.

23. Proposals will be brought before you to establish the nuclear fuel business of the United Kingdom Atomic Energy Authority as a separate Government-controlled company.

24. A Bill will be introduced to extend the Government’s powers under the Coal Industry Act 1967 to help the coal industry.

25. My Government will continue to encourage the selective expansion of home agriculture. Legislation will be introduced to implement the Government’s proposals on the marketing of eggs; to rationalise the grants payable to assist fixed capital investment in agriculture; to reorganise smallholdings; and to modernise the law relating to sales of fertilisers and feedingstuffs.

26. A Bill will be introduced requiring local education authorities to prepare plans for reorganising secondary education on comprehensive lines.

27. A Bill will be brought before you for establishing a more effective system of control over dangerous drugs.
28. A Bill will be brought before you to introduce new schemes of national superannuation and social insurance and to protect occupational pension rights on change of employment.

29. Legislation will be introduced arising out of the recommendations of the Soeborn Committee on Local Authority and Allied Personal Social Services; and fresh proposals will be made about the future administration of the National Health Service.

30. Proposals will be put forward for the reorganisation of local government in England, Scotland and Wales.

31. Legislation will be introduced to continue in modified form powers to limit increases in house rents.

32. A Bill will be introduced to modernise the law relating to the construction of highways in Scotland.

33. Legislation will be brought in to reform certain features of the feudal system of land tenure in Scotland and the Scottish law of heritable conveyancing, and to improve the organisation of the Sheriff Courts in Scotland.

34. My Government will carry forward their comprehensive programme of law reform.

35. A Bill will be laid before you to make better arrangements for the recovery of civil debts and to enable the Courts to avoid causing hardship when making orders for possession of mortgaged property.

36. Legislation will be introduced to enlarge the powers of the Courts with regard to financial provision for parties to marriages which have broken down.

Other measures will be laid before you.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

I pray that the blessing of Almighty God may rest upon your counsels.
THE QUEEN’S SPEECH ON THE PROROGATION
OF PARLIAMENT

Note by the Secretary of the Cabinet

I circulate for the information of the Cabinet a copy of The Queen’s Speech on the Prorogation of Parliament in the form in which it has been approved by The Queen.

(Signed) BURKE TREND

Cabinet Office, S.W.1.

16th October, 1969
THE QUEEN'S SPEECH ON THE PROROGATION OF PARLIAMENT

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS -

My Husband and I were glad to welcome to this country the President of the Italian Republic and the President of the Republic of Finland. We had the great pleasure of visiting Brazil, Chile and Austria.

My Government have pursued their efforts to promote through the United Nations a settlement to the dispute between the Arab States and Israel.

My Ministers have contributed fully to the tasks of the North Atlantic Alliance. They have continued to work for the relaxation of tension with the countries of Eastern Europe and to seek their co-operation in trade and other practical matters.

My Government have maintained their application for membership of the European Communities.

My Ministers have welcomed the talks in Paris between all the major parties involved in the Vietnam conflict and hope that they will soon make real progress towards peace.

My Government have ratified the Treaty on the Non-Proliferation of Nuclear Weapons and have striven for further progress on arms control and disarmament. In particular they have put forward proposals for a complete ban on biological methods of warfare.

My Husband and I were pleased to welcome to this country Heads and Representatives of Commonwealth Governments for the Commonwealth Prime Ministers' Meeting. The Meeting recognised the special ties of co-operation and understanding that link member countries of the Commonwealth and which My Government in the United Kingdom have continued to further.

New constitutions have been introduced in the Commonwealth of the Bahamas Islands and in the Turks and Caicos Islands.
My Ministers have again sought a return of constitutional rule in Rhodesia in accordance with the multiracial principles approved by Parliament. To that end they have maintained political and economic sanctions under the terms of the United Nations Security Council Resolution of 29th May 1968. The Governor of Southern Rhodesia announced his resignation on 24th June after receiving My permission to do so. My Government subsequently ordered the closure of the British Residual Mission in Salisbury and Rhodesia House in London.

My Government have been much concerned by the continuing conflict in Nigeria. They have helped with the relief of suffering and starvation and they have contributed to the search for a peaceful settlement.

Further progress was made towards co-operative defence arrangements between our Commonwealth partners in South East Asia, following upon My Government's decision to withdraw British forces from Malaysia and Singapore by the end of 1971.

The situation in Northern Ireland has caused My Ministers deep concern. My Forces have carried out their duties there with exemplary steadiness. My Ministers are doing all in their power in co-operation with the Northern Ireland Government to bring peace and reconciliation to the Province.

MEMBERS OF THE HOUSE OF COMMONS

I thank you for the provision which you have made for the public services.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

My Government's first aim has been to strengthen the economy so as to achieve a continuing substantial surplus in the balance of payments. The policies which they have pursued have brought about a great improvement in the past year.

My Ministers have taken part in international discussions leading to the decision last month to activate the scheme for Special Drawing Rights.

An Act was passed to make further provision for the introduction of decimal currency in 1971.
A Commission on Industrial Relations has been appointed to examine and promote improvements in the machinery for collective bargaining.

Further progress has been made in regional economic development, and measures have been announced for assistance to industry in selected intermediate areas.

My Government have put forward proposals to help the Lancashire textile industry take its place once again in the forefront of British industry.

An Act has been passed to assist and encourage the development of tourism in Great Britain.

Legislation has been passed to integrate public transport in London under local government control.

An Act has been passed to establish a central system of driver licensing and of vehicle registration and licensing.

Legislation has given My Inspectors of Mines and Quarries and the appropriate local authorities new powers to ensure the safety of tips of mine or quarry refuse.

An Act has been passed to convert the Post Office from a Department of State to a public corporation.

My Government have reviewed the contribution of agriculture to the national economy and have announced an extended programme of selective expansion in the interests of import saving.

Action has been taken to implement the recommendations of the Committee of Inquiry on Foot and Mouth Disease, and codes of practice for the welfare of farm animals have been approved.

An Act has been passed for assisting the deep sea fishing industry and for the policing and conservation of fisheries.
Provision has been made for improvements in the pensions and benefits of the national insurance and supplementary benefits scheme and in war pensions. Legislation has provided for contributions to the national insurance scheme to be increased and to be related more closely to earnings, and proposals have been published for new schemes of national superannuation and social insurance based on contributions related to earnings.

An Act has been passed amending the law in England and Wales relating to children and young persons.

Legislation has been passed to enable the United Kingdom to accede to the United Nations Convention on Genocide.

Provision has been made for appeals by Commonwealth citizens and aliens against decisions taken in the exercise of immigration control.

An Act has been passed to raise the limit of Government expenditure on building the National Theatre.

I was pleased to grant a Charter of Incorporation to the Open University and thereby to launch a significant and original venture in higher education.

Legislation has been passed to give greater encouragement for the repair and improvement of older houses and their environment.

An Act has been passed to provide financial assistance for urban areas of special social need.

Legislation has been passed to modernise the Scottish Town and Country Planning system, and to bring up to date the law relating to housing and education in Scotland.

I have appointed a Commission on the Constitution.

The Civil Service Department has been established and steps have been taken to set up a Civil Service College.

Legislation has provided for increased pensions for retired members of the public service and their dependants.
Legislation has reduced the age of majority to eighteen. The voting age has also been reduced to eighteen, and other reforms have been made in electoral law.

Further progress has been made in the systematic reform of the law, including that relating to the succession rights of illegitimate children, the jurisdiction of the county court, the trial of personal injury cases, and real property. Steps have been taken to repeal obsolete statutes and improve the form of the Statute Book.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

I pray that the blessing of Almighty God may attend you.
At a meeting on 12th May the Social Services Committee approved my proposal to introduce in the 1969-70 legislative programme a Bill to provide that, in fulfilling their duties under Section 8 of the Education Act, 1944, every local education authority should have regard to the need for securing that education in schools maintained by them should be provided in non-selective schools, and that for that purpose it should be the duty of any authority, when required to do so, to submit to the Secretary of State proposals in a prescribed form and time, for the organisation of secondary school education in their area. Cabinet decided on 14th October (CC(69) 48th Conclusions) that these proposals should be brought before it as soon as possible.

2. There is a place in the 1969-70 legislative programme for the Bill (C(69) 35). Authority for drafting was given by the Lord President on 19th June, 1969. Drafting has proceeded and the Bill is almost ready for introduction. The reasons for the Bill were set out in my memorandum which was considered by the Social Services Committee and are:

(i) In July, 1965 local education authorities in England and Wales were requested to submit plans by July, 1966 for reorganising secondary education on comprehensive lines. The Education Acts give the Secretary of State no power to compel Authorities or the governors of maintained voluntary schools to adopt the comprehensive system, and it was decided that we should rely on voluntary co-operation.

(ii) Progress on this voluntary basis has been fairly satisfactory but between now and the next Election it will become increasingly apparent that the process of planning has lost momentum and that a significant number of Authorities and voluntary school governors can and will stand out against Government policy. The facts are as follows:-

-1-
(iii) There are 163 local education authorities. 107 of these have plans approved covering the whole or greater part of their areas, although 60 of these plans do not include all the maintained voluntary schools in the Authorities' areas. Very often the omission of voluntary schools is due to genuine difficulties facing small denominational schools but sometimes to the unwillingness of voluntary schools, particularly aided grammar schools, to be absorbed into a comprehensive system.

(iv) Other Authorities have plans approved for a smaller part of their areas, and some of these have no intention of making further progress. My Department at present has under consideration plans from ten further Authorities. There are therefore 25 Authorities from which we have no proposals. Eight of these have formally declined to submit plans. Another eight, without formally refusing to do so, have not yet submitted plans. Nine have had plans rejected as unsatisfactory and have not yet submitted revised proposals.

(v) Progress towards a fully comprehensive system is not just a matter of planning on paper. The physical facts of the nature and distribution of the existing stock of school buildings mean that it will be some years before all selective schools can be eliminated. Both pre-war and post-war buildings are generally too small to be turned into comprehensive schools. While it is possible for some small schools to form part of comprehensive schemes based on a two-tier organisation (an upper and a lower school), this solution can be adopted in only a limited number of cases; nor can I impose two-tier arrangements on Authorities which, though quite willing to go comprehensive, are not prepared to introduce schemes of this kind which they believe would be educationally unsound. (The Inner London Education Authority, when under Labour control, held this view).

The draft Bill embodies my proposals which were before that Committee. Colleagues may like to note that the intention to introduce the Bill has been made known in Parliament and outside. In his May Day speech at the Festival Hall the Prime Minister said:

"We are planning the new legislation of the year that lies ahead .... The Education Bill crowning five years of work to provide equal educational opportunity and to end for all time the tyranny of the 11+ selection in those areas which have lagged behind the rest of the nation ...."

In the Commons on 12th June, 1969 the Minister of State (Miss Bacon) said:
"But as my right honourable Friend has said, it is his intention to introduce a Bill in the next Session of Parliament to ensure that all local authorities submit schemes for secondary reorganisation which will bring an end to selection at the age of 11".

Miss Bacon referred to the Bill in her speech to the Party Conference both this year and last year.

Provisions of the proposed Bill

3. The Bill as drafted provides that in fulfilling their duties under Section 8 of the Education Act, 1944, every local education authority shall have regard to the need for securing that secondary education is provided in schools whose admission arrangements do not refer to ability or aptitude. In some areas authorities rely on places in independent and direct grant schools to supplement maintained provision. The Bill would cover these arrangements. Colleagues may like to note that the Bill does not apply to:

(i) schools providing for handicapped children;

(ii) sixth form colleges for pupils above compulsory school age only, to which admission may properly be on an academic selection basis;

(iii) the very exceptional school which may provide a specialist education in music or one of the other arts (an idea I am still considering).

4. The Bill would impose a duty on local education authorities to submit plans as and when they are required by the Secretary of State. The Bill would prescribe the manner in which such plans are to be formulated and specify the form of local consultation with managers and governors, teachers and parents likely to be affected by the proposals. It would empower the Secretary of State to approve a plan as submitted; to approve with modifications after consultation with the local education authority; or to reject a plan and direct the local education authority to submit proposals fulfilling such specific conditions as would, in the Secretary of State’s view, secure adequate measures for the reorganisation of secondary education in their area.

5. The Bill has no financial implications; it would deal with the preparation and submission of plans for secondary reorganisation but would not contain any provision to secure their implementation either by local education authorities or by the governors of voluntary schools.
Conclusion

6. My proposal does not go so far as many of our supporters would wish. But we have to accept that the framework set by the present Education Acts reflects a distribution of powers and duties between central and local government which cannot be upset except in the context of major legislation. Even if this were not so it would be futile to take powers to impose reorganisation when the school building programme cannot be large enough to allow for the early replacement of all school buildings which genuinely cannot be used as comprehensive schools. Nevertheless the proposed Bill, which goes as far as a short Bill can, would have real advantages. It would enable me to force those authorities who are standing out against our policy to produce plans for eliminating selection. It would also make it much easier for me to continue to insist that school building resources are deployed in a way consistent with an intention to introduce a comprehensive pattern. The school building programme has been used as a lever to persuade authorities to plan for a comprehensive system since 1966. This policy has contributed useful results. But it is becoming steadily more difficult to use it in the absence of any statutory basis for our policy. The absence of statutory framework for our policy also makes me vulnerable to challenge when I exercise my statutory duties to approve the establishment and closure of schools and changes in their character by reference to Government policy which is nowhere embodied in the existing Education Acts.

7. I invite my colleagues to approve these proposals and to agree that the Bill should be introduced next Session.

E.W.S.

Department of Education and Science, W.I.

20th October, 1969
CABINET

THE QUEEN'S SPEECH ON THE OPENING OF PARLIAMENT

Note by the Secretary of the Cabinet

I circulate for the information of the Cabinet a copy of The Queen's Speech on the Opening of Parliament in the form in which it has been approved by The Queen,

(Signed) BURKE TREND

Cabinet Office, S.W.1.

22nd October, 1969
THE QUEEN'S SPEECH ON THE OPENING OF PARLIAMENT

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

1. My husband and I look forward to our visits to New Zealand and Australia and to attending the Cook Bicentenary Celebrations in both countries.

2. With the coming 25th Anniversary year of the United Nations, my Government reaffirm their support for the efforts to ensure peace and to assist the advancement of less developed countries. They will pursue their work through the United Nations for a just and lasting peace in the Middle East, and towards an international agreement on tariff preferences for the developing countries.

3. My Ministers will continue to play an active part in the North Atlantic Alliance as the foundation of our security and thereafter to build better understanding between East and West.

4. My Government will maintain their application to become full members of the European Communities and desire an early commencement of negotiations. They will take a full part in promoting other measures contributing to European unity.

5. My Government will strive for further progress on nuclear and non-nuclear arms control and disarmament. They will be particularly concerned with chemical and biological weapons, and will follow up with vigour the proposals they have put forward for a complete ban on biological methods of warfare.

6. My Ministers will remain ready to assist in any way they can to bring peace to Nigeria and Vietnam.

7. My Government will continue working for an eventual return to constitutional rule in Rhodesia, in accordance with the principles approved by Parliament. They will steadfastly pursue their policy of economic sanctions and of maintaining isolation of the illegal regime until the conditions for an honourable settlement exist.
8. My Ministers will continue their efforts to ensure justice and to promote peace and harmony between all communities in Northern Ireland. They will bring forward proposals to facilitate the reorganisation of the Royal Ulster Constabulary and to establish a local defence force for security duties in Northern Ireland.

MEMBERS OF THE HOUSE OF COMMONS

9. Estimates for the public services will be laid before you.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

10. My Government will press forward their policies for attaining a substantial and continuing balance of payments surplus in order to meet our international obligations and rebuild our reserves, achieve a more rapid rate of economic growth, and safeguard employment. To this end they will continue to develop policies for promoting the efficiency and competitiveness of industry.

11. My Government will continue to work with other Governments to improve the international monetary system.

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17. Proposals will be submitted to you for controlling the development of labour-only sub-contracting in the construction industry.

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20. A Bill will be introduced to assist the film industry.

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26. A Bill will be introduced requiring local education authorities to prepare plans for reorganising secondary education on comprehensive lines.

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28. A Bill will be brought before you to introduce new schemes of national superannuation and social insurance and to protect occupational pension rights on change of employment.

29. Legislation will be introduced arising out of the recommendations of the Seehelm Committee on Local Authority and Allied Personal Social Services; and fresh proposals will be made about the future administration of the National Health Service.

30. Proposals will be put forward for the reorganisation of local Government in England, Scotland and Wales.

31. Legislation will be introduced to continue in modified form powers to limit increases in house rents.

32. A Bill will be introduced to modernise the law relating to the construction of highways in Scotland.

33. Legislation will be brought in to reform certain features of the feudal system of land tenure in Scotland and the Scottish law of heritable conveyancing, and to improve the organisation of the Sheriff Courts in Scotland.

34. My Government will carry forward their comprehensive programmes of law reform.

35. A Bill will be laid before you to make better arrangements for the recovery of civil debts and to enable the Courts to avoid causing hardship when making orders for possession of mortgaged property.

36. Legislation will be introduced to enlarge the powers of the Courts with regard to financial provision for parties to marriages which have broken down.

Other measures will be laid before you.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS

I pray that the blessing of Almighty God may rest upon your counsels.
When the Cabinet considered a draft of The Queen's Speech on 14th October it was agreed that the reference to this report should be deleted but that the policy issues should be considered by the appropriate Ministers and a suitable statement made during the Debate on the Address (CC(69) 48th Conclusions, Minute 4). I held a meeting accordingly on Friday, 24th October which was attended by the Lord Chancellor, the Lord Privy Seal, the Chief Secretary to the Treasury, the Minister of Public Building and Works, the Minister of State, Home Office, the Minister of State, Welsh Office, the Attorney-General and the Joint Parliamentary Secretary, Ministry of Housing and Local Government.

2. It was the unanimous view of the meeting that the Commission's report pointed the way to an important and long overdue modernisation of our legal institutions. It was agreed that we should accept in principle all the main recommendations and that we should announce this during the Debate on the Address. It was also agreed that I should ask the Head of the Civil Service to examine the administrative and machinery of Government implications of the report, which are considerable, with the Permanent Secretaries of the other Departments concerned.

3. I undertook to report the conclusions of the meeting to Cabinet and to circulate a draft of what I would propose to say in my speech during the Debate on the Address. This is attached. If any members of the Cabinet have comments on it, would they please let my office know by 11.00 a.m. on Tuesday, 28th October?

H. W.

10, Downing Street, S. W. 1.

27th October, 1969
Draft paragraphs for inclusion in the Prime Minister's speech during the Debate on the Address

So far as the administration of justice is concerned, the seal will be put on all that has been achieved by major legislation to be introduced to implement the report of the Beeching Royal Commission on our judicial institutions. It is not only the fact that there has been practically no change in the arrangements for holding Assizes and Quarter Sessions since Plantagenet times: more serious, the law's delays have become intolerable in criminal and civil courts alike, and in recent years we have been moving closer and closer to a breakdown in the administration of justice.

The Government accept the recommendations of Beeching, while leaving for consultation certain detailed recommendations about the siting of the new courts to be established. I hope these consultations can be speedy as well as forward-looking, so that as quickly as possible we can introduce the legislation for bringing the new structure into being.
28th October, 1969

CABINET

INDUSTRIAL RELATIONS BILL

Memorandum by the First Secretary of State and Secretary of State for Employment and Productivity

It was agreed by Cabinet at its meeting on 9th October (CC(69) 47th Conclusions, Minute 4) that a comprehensive Industrial Relations Bill should be introduced in the forthcoming Parliamentary Session; and that the Industrial Relations Committee should consider in detail which of the proposals outlined in the White Paper "In Place of Strife" should be included in this Bill. The Social Services Committee had already agreed that the legislation to amend trade dispute disqualifications for unemployment benefit should be included in the National Superannuation and Social Insurance Bill. Since that meeting, the Industrial Relations Committee has discussed proposals I put to them (Annexes I and II) and has agreed that a Bill on the lines of Annex I should be prepared - subject to further consideration of the two matters discussed below.

Inducement of a breach of a commercial contract: the problem of the secondary boycott

2. In the White Paper, the Government expressed agreement with the Donovan Commission's recommendation that strike leaders should be protected from any legal action for inducing a breach of any commercial contract (not just a contract of employment). An amendment of this kind would mean that there would be a clarification of the law which would make it plain that "secondary boycott" activities are lawful. The arguments in favour of carrying out the undertaking in the White Paper are these:

(i) In some measure secondary boycott activities are already legal and a skilful and well-informed trade union leader can usually manage to avoid any liability for legal action.

(ii) There are a number of anomalies in the existing law which should be removed for the sake of clarity and consistency.
(iii) Action falling short of the White Paper proposal would antagonise the Trades Union Congress (TUC) and open a flank to hostile amendments which would be difficult to resist.

3. While the force of these arguments was acknowledged by the Industrial Relations Committee, it was pointed out nevertheless that there were powerful arguments against proceeding with the Government's proposal in the White Paper. It was suggested that the clarification of the law would have the practical effect of extending the immunity of secondary boycott activities; and this would be widely interpreted as an encouragement to official and unofficial strikers to prosecute their interests. This could have serious economic consequences.

4. The Ministerial Committee on Industrial Relations requires more time to consider this important question. It will be meeting again on 29th October for this purpose and I shall report on the outcome orally to my colleagues.

Requirements concerning auditors of superannuation funds

5. The Industrial Relations Committee suggested that I should consider incorporating in the Bill the White Paper proposal relating to audit and superannuation requirements. These requirements were recommended by the Chief Registrar of Friendly Societies in his evidence to the Donovan Commission, and were endorsed by the Commission in its Report. Their practical effect would be to strengthen and supplement the existing financial requirements of the 1871 Trade Union Act by applying to registered trade unions and employers' associations the more rigorous obligations which Friendly Societies and similar institutions have to satisfy. Under the proposals, all trade unions and employers' associations would have to keep their accounts in a form similar to that required by the Friendly and Industrial and Provident Societies Act 1968 and the annual return would have to be accompanied by a copy of the accounts and balance sheets and by the auditor's report (for organisations over a certain size, the audit would have to be performed by a qualified auditor). The proposals concerning superannuation schemes are designed to ensure that members of trade unions and employers' associations have access to reliable information about the viability (or otherwise) of new and existing superannuation schemes.

6. These proposals could be embodied in the Industrial Relations Bill without great difficulty as an extension to existing obligations on organisations voluntarily registered under the Trade Union Act 1871. The fact that the proposals are modelled on requirements which already bear on Friendly Societies means that no new questions of principle are being advanced; and this should make the form of the requirements generally acceptable. Nor does the enforcement of these requirements involve the introduction of new penalties: organisations registered under the Trade Union Act 1871 are already subject to penalties of the same kind as it would be necessary to provide for in an Industrial Relations Bill.
There should therefore be little ground for opposition from the TUC on this score. Nevertheless, in view of their extreme sensitivity on the matter of rules and any extension of registration provisions I propose first to consult them and not to press this minor point if it were to lead to a major row. With this proviso, I recommend that the Industrial Relations Bill should include provisions concerning the appointment of auditors and the examination of superannuation funds.

Conclusions

7. Subject to the conclusion to be reached on the inducement of a breach of a commercial contract, I invite my colleagues to agree that I should now start consultations with the TUC and the Confederation of British Industry on the proposed scope of the Bill and should put in hand the preparation of a Bill containing the items in Annex L.

8. I also invite my colleagues to agree that authority should be given for the confidential preparation of legislation on the topics in Annex III.

B. A. C.

Department of Employment and Productivity, S. W. L.

28th October, 1969
NOTE ON THE MAIN ITEMS FOR INCLUSION IN A
COMPREHENSIVE INDUSTRIAL RELATIONS BILL

The main items proposed for inclusion in a comprehensive Industrial Relations Bill may be conveniently grouped under the following headings:

A. The extension and reform of collective bargaining.
B. Protection of the individual employee.
C. Changes in existing law governing trade unions and industrial disputes.
D. Other possible items.

THE EXTENSION AND REFORM OF COLLECTIVE BARGAINING

1. Putting the Commission on Industrial Relations (C.I.R.) on a statutory basis

At present the C.I.R. has the status of a Royal Commission, and it would be possible to continue on this basis if administrative and financial considerations were paramount. But if the Commission is to have some important statutory functions (for example, holding ballots and making recommendations in relation to recognition problems) and if it is to have the necessary standing it will be desirable to make it a statutory body (cf., the National Board for Prices and Incomes). The T.U.C. may be lukewarm about giving statutory powers to the C.I.R.; and could, in particular, be hostile to the proposal to empower the C.I.R. to conduct a ballot in a recognition dispute.

2. Power to make recognition orders

It is proposed that the Secretary of State should be able to make an order, in the recommendation of the C.I.R., requiring an employer to recognise and negotiate with a union. If the employer refused to obey such an order, the union would have the right unilaterally to refer a claim for arbitration by the Industrial Court. In inter-union recognition disputes, the T.U.C. would normally assume the main responsibility for resolving the problem; and there would be a reference to the C.I.R. of such disputes only if the T.U.C. failed to find a satisfactory solution, or the employer refused to adopt the T.U.C.'s formula (or, perhaps, if the dispute involved non-affiliated unions). These powers are likely to be important to relatively weak unions, or unions operating in sectors of industry where in the past organisation has not been extensive (for example, the white-collar sectors). The T.U.C. will in general welcome powers to compel employers to recognise trade unions; but will look very closely at the way such powers are to be applied in inter-union recognition disputes.

3. Disclosure of
3. Disclosure of information to unions by management

It is proposed that there should be a general obligation on employers to make available to the unions with whom they negotiate information which is necessary to make a reality of collective bargaining. The Bill might also provide power for the Secretary of State to make regulations specifying the kinds of information which employers should make available. The disclosure of information is obviously an important aspect of "good faith" in negotiations, and will become much more important as the centre of gravity of collective bargaining moves from industry to company level. Unions cannot be expected to play their part in productivity bargaining without a reasonable knowledge of the plans, operations and costs, etc. of the companies with whom they negotiate. This proposal should be welcomed by the T.U.C.

4. Amendments to the Wages Councils Act

The Department have in mind a number of amendments to the Wages Councils Act which will have the effect of making it easier to abolish Wages Councils, and which would also be intended to support and encourage the development of genuine collective bargaining in Wages Council industries. These changes have been pressed by the T.U.C. and will be generally welcomed by the trade unions.

5. Trade Union Development Scheme

It is proposed to establish a fund, to be administered by the C.I.R., which would provide financial assistance to unions in implementing plans for rationalising their organisation and improving their services to members. Such assistance might in certain circumstances facilitate mergers or amalgamations. It could also be used to support additional training courses for trade union officials; or to enable a union to extend and rationalise its office facilities. The T.U.C. has been wary and unenthusiastic in its reception of this proposal; but the General Council will probably acquiesce in any provisions to give effect to the proposal.

6. Protection of the Individual Employee

6. The right to belong to a trade union

It is proposed that it should become a term of all contracts of employment that the employer is not to do anything to deter or obstruct an employee from belonging to a trade union, or to penalise any employee on account of his trade union membership (for example, by refusing to promote him). This contractual term will be enforced by actions brought by employees before the Industrial Tribunals, which will have power to award damages (the basis on which damages...
should be assessed is still under consideration; there have been a number of reservations expressed about the earlier proposal that damages should be a fixed sum regardless of the circumstances. The T.U.C. is naturally favourable to a provision of this nature, though the General Council may doubt whether it will have a major impact.

7. Unfair dismissals

Employees are to have the right to compensation or reinstatement if dismissed for "invalid" reasons (for example, trade union membership or participation in trade union activities; or on grounds of race, colour, sex or marital status, etc.) or where the dismissal cannot be justified by reasons connected with the capacity or conduct of the employee or the operational requirements of the business. The T.U.C. are known to attach a great deal of importance to these provisions, which will undoubtedly be a major part of the Bill. Although accepting the major principle involved, the C.B.I. has a number of reservations on the detail.

8. Extension of the jurisdiction of the Industrial Tribunals

The jurisdiction of the Tribunals will have to be extended to enable it to consider cases brought under Items 6 and 7 above. It is also proposed to extend their jurisdiction to cover other legal disputes arising out of the terms of individual contracts of employment, and other statutory rights which the employee possesses. This will mean in practice that the Tribunals will replace the ordinary courts in the majority of disputes between the individual employee and the employer which cannot be satisfactorily resolved under grievance procedures. The T.U.C. has expressed fears that, in practice, the Tribunals might tend to inhibit the development of collective bargaining and satisfactory grievance procedures by encouraging employees to go direct to the Tribunals if they feel aggrieved. They therefore consider that the extension of the Tribunals' jurisdiction should be limited to items 6 and 7 above.

9. Amendments to the Contracts of Employment Act

It will be desirable to take the opportunity afforded by this legislation to make a few amendments to the Contracts of Employment Act; for example, to increase the period of notice to which long-service employees are entitled, and to widen the scope of matters covered in the written statement which an employee receives on joining a firm. The T.U.C. have in principle welcomed the Government proposal.
CHANGES IN EXISTING LAW GOVERNING TRADE UNIONS AND INDUSTRIAL DISPUTES

10. Modification of Section 4(4) of the 1871 Act and Amendment of the definition of a trade union

Agreements between employers' associations and trade unions are not normally directly enforceable because, as a result of the wording of Section 4(4), the courts are not free to enforce agreements between one trade union and another (and many employers' associations are trade unions within the meaning of the law). If we amend the definition of a trade union - as the White Paper proposed - it is probable that Section 4(4) could be left as it is, since employers' associations would then no longer be trade unions in law. The T.U.C. would nonetheless want it made quite clear that as the White Paper suggested - agreements between employers' associations (or employers) and a trade union or trade unions were to be directly enforceable only if there was an express written provision in the agreement to that effect (the Conservative view is that collective agreements should be assumed to be legally enforceable unless the parties agree otherwise).

11. Enabling a union to be sued in tort

As the law stands at present, a trade union (though not its officials) is almost completely protected from actions in tort. In principle, it is both unjustifiable and unnecessary that unions should be able to avoid any liability for torts which have nothing to do with industrial action and are not committed in furtherance of a trade dispute. It is therefore proposed to amend Section 4 of the 1906 Act to restrict the protection to torts committed in contemplation or furtherance of a trade dispute. This will make it possible, for example, for an action to be brought against a union for such civil wrongs as libel, negligence, conversion, etc., committed in its name by its officials. So long as the concept of "furtherance of a trade dispute" is broad enough, the T.U.C. is unlikely to resist a provision of this nature.

12. Protection of inducement of breach of a commercial contract

The existing law is unclear and ambivalent in its treatment of secondary boycott activities (i.e., bringing pressure to bear on one employer in pursuance of a dispute with another). Some forms of pressure are regarded as lawful, whilst others may give rise to liability in tort (though an employer has to take action against the trade union officials, rather than the union itself). For example, if a trade union official threatens strike action (even after due notice) against an employer who is a customer of the employer in /dispute
dispute with his union, the official will be committing a tort if the intended or probable result is a breach of the commercial contract between the two employers; whereas if he instructs the employees of the customer employer to withdraw their labour, the official will usually not be liable to be sued (so long as the employees give due notice.) The secondary boycott has been most commonly used in recent years as a weapon to secure recognition - cf., the attempt by the Clerical and Administrative Workers' Union to secure recognition from the British Steel Corporation by taking action against Clayton Dewandre and Rolls Royce. Potentially, however, it is a weapon which can be used in a variety of industrial situations to secure, by indirect pressure, concessions from an employer. The trade unions therefore attach a great deal of importance to an amendment of the 1906 Act which would legalise secondary boycott action and protect union officials (or anyone else) who induces a breach of a commercial contract in the course of an industrial dispute.

D. OTHER POSSIBLE ITEMS FOR INCLUSION IN THE BILL

13. Registration of collective agreements

Following the recommendation of the Donovan Commission, the Department have taken steps to secure the registration by the larger companies of their collective procedural agreements with trade unions. So far, registration has been on a voluntary basis; and a satisfactory response has been received from the firms approached. It may, however, be desirable to take powers to make regulations requiring employers (or specified categories of employers) to register their procedure agreements. This would mean that registration would not automatically become a statutory obligation, but could be made so if the present voluntary arrangements proved unsatisfactory or inadequate.

14. Friendly Society rules

It was intended that the proposed interim Bill should contain a clause rendering invalid any rule of a Friendly Society which precluded membership of the Friendly Society on the ground of trade union membership, or which discriminated against trade union members in the provision of benefits. This provision was primarily intended to nullify the trade union bar which has been operated for a number of years by one particular Friendly Society, the Foremen and Staff Mutual Benefits Society. In recent months, however, this Society has decided to drop the rule to which the unions objected — probably largely as a result of a Private Bill sponsored by the Association of Supervisory
Supervisory Technical and Managerial Staffs (A.S.T.M.S.) which prevented the J.S.M.B.S. applying its anti-union rule to members of the A.S.T.M.S. Since no other Friendly Society is known to have any anti-union provision in its rules, it may now be unnecessary to include any special provision in an Industrial Relations Bill.

15. Appointment of Workers' Representatives to the Boards of Companies.

The Government promised in the White Paper to consider whether it might be necessary to remove legal obstacles to the appointment of workers' representatives to the boards of undertakings. Discussions on this question with interested departments have not yet taken place; but it may prove desirable to include some provision which would facilitate experiments in the appointment of worker-directors.
ANNEX II

PROPOSALS IN THE WHITE PAPER WHICH ARE NOT TO BE PROCEEDED

WITH AS A RESULT OF THE JUNE AGREEMENT WITH THE T.U.C.

1. Powers to impose penalties on unions for a breach of a recognition order in an inter-union recognition dispute.
2. Establishment of an Industrial Board.
3. Power to impose a conciliation process.
4. Power to order a strike ballot.
5. Trade union rules and registration (see Annex III).
6. Creation of a new Registrar of Trade Unions and Employers' Associations.
7. A requirement that trade unions should appoint professional auditors and adopt certain safeguards in relation to superannuation funds.
8. Appointment of an independent appeals body to hear complaints by individuals of unfair or arbitrary action by trade unions (see Annex III).
ANNEX III

TRADE UNION ACCOUNTABILITY: SUPERVISION OF RULES AND PROVISION FOR INDEPENDENT APPEAL

Trade union rules and registration

It would be a requirement that all organisations coming within the scope of a revised definition of a trade union should, subject to minor exceptions, be registered with a new office of Registrar of Trade Unions and Employers' Associations and should be required to submit to the Registrar (within a stated period of time) a set of rules adequately covering a number of specified subjects. If a union failed to register adequate rules within the period allowed, it might be subject to a financial penalty imposed by a specially appointed Tribunal. It would also be the Tribunal's responsibility to decide, in cases of disagreement between the Registrar and a union whether a rule was adequate i.e. clear, in accordance with natural justice and covered the specified subjects.

Appointment of an independent appeals body

In order to ensure that any trade union member (or would-be member) aggrieved at an action or decision taken by his union should, in the last resort, be entitled to have his complaint heard by an independent Tribunal there might be established an independent appeals Tribunal composed of a legally qualified chairman and two trade union representatives. Any complaint would in the first instance be referred to the Registrar, who would be required to investigate it thoroughly and, if necessary, make a recommendation to the union if he believed the complaint to be justified. If the recommendation (for example, for compensation, reinstatement in or admission to membership, mitigation of a penalty, etc.) was not accepted by the union, the complaint would be submitted to the independent appeal Tribunal for binding adjudication (subject always to appeal on a point of law). Financial awards by the Tribunal against the union would be enforceable through the civil courts; other types of award (for example, admission to membership or a requirement to hold a fresh election) would probably have to be enforced by a threat of a financial penalty if the union failed to comply with the award.
CABINET

CIVIL AVIATION POLICY

Note by the President of the Board of Trade

My colleagues will wish to see the attached draft White Paper setting out my proposals for future civil aviation policy, which were approved, together with the White Paper, by SEP last Thursday. I am discussing the date of publication with those Ministers most concerned; but I hope that it will be possible to publish the White Paper on Tuesday, 11th November.

R. M.

Board of Trade, S. W. 1.

3rd November, 1969
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SUMMARY: THE SHAPE OF THE FUTURE

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Civil aviation is one of the world's fastest growing industries. The output of the industry on international scheduled services alone grew at an average rate of 17% a year over the last ten years, or more than doubled every 5 years. Part of this growth was accounted for by new airlines, with the result that the relative share of British airlines, like those of the United States, declined over this period. Nonetheless the output of British airlines on international scheduled services has been doubling every 5½ years while their output on inclusive tour charter services has grown so rapidly from small beginnings that it was nearly 20 times as great in 1968 as in 1958. Few industries can match this record of sustained expansion and look forward to continuing expansion at high rates for as far ahead as can be foreseen.

This remarkable growth has been the product of two main factors. The steady decline in the cost of air travel has brought it within the reach of ever-increasing numbers of people. At the same time a very rapid rate of technological change has both reduced costs and enabled larger numbers of people to be carried. The passenger-carrying capacity of the Boeing 747, which will be in transatlantic service in 1970, is at least 5 times that of the Comets which inaugurated transatlantic jet services only 11 years ago, and even larger and more economical aircraft are in prospect.

Other and completely new techniques of air transport will make their impact over the next decade. The Concorde supersonic airliner will be coming into service. Aircraft capable of using very short runways may play an increasing role. Looking further ahead, there is the possibility of the successful development of economic aircraft capable of vertical take-off and landing. The increase in the size of aircraft has already permitted a rapid growth of air freight traffic and with the increased use of containers this will continue to be one of the fastest growing sectors of the industry's business.

The contribution made by British airlines to the nation's economy depends on their continued growth and prosperity. The industry contributes directly to the balance of payments through its earnings from carrying passengers and freight. In 1968 the net foreign currency earnings of British airlines were £69 million; after allowing for the net earnings of foreign airlines from the United Kingdom, the gain to the balance of payments was £20 million. There are opportunities for making this contribution considerably greater in future. In addition there is the indirect contribution made by the airlines in attracting foreign tourists to Britain. Less measurable but no less important is the fact that the ordinary citizen can now enjoy opportunities - the Mediterranean holiday, the visit to relatives in other continents - that were until recently the privilege of a minority.
It was against this background that the Government appointed, in July 1967, a Committee of Inquiry into Civil Air Transport with Sir Ronald Edwards as Chairman and with the following terms of reference:

"To inquire into the economic and financial situation and prospects of the British civil air transport industry and into the methods of regulating competition and of licensing currently employed; and to propose with due attention to other forms of transport in this country what changes may be desirable to enable the industry to make its full contribution to the development of the economy and to the service and safety of the travelling public."

The Government greatly appreciate the valuable work done by the Edwards Committee in bringing into focus the issues that now confront the industry and in suggesting a course for its development in the coming decade. The Committee's Report, which was published on 2nd May 1969, is of outstanding quality and interest.

6. This Report confirms that British airlines have great achievements to their credit. BEA and BOAC are both held in "high esteem" by the international airline community. In spite of vicissitudes, the profit records of the state-owned airlines have compared favourably with those of most of their international rivals. British airlines have been innovators, both technically with the introduction of jet aircraft and blind landing techniques and commercially, in partnership with the travel industry, in the development of inclusive tour holidays. The Committee did not find anything fundamentally wrong in the past record of the industry but did identify some weaknesses that should be corrected for the future. In planning ahead for the seventies, the need is to make the industry still more efficient and to provide for greater flexibility so that it can meet the challenges that rapid growth and change will bring.

7. This means first dealing with those shortcomings that do exist. Productivity, for example, has been low compared not only with the United States but also with some leading airlines in Western Europe. As the Report shows, the labour productivity of BOAC and BEA, taken together, lies in the middle range of Western European performance, being surpassed by Alitalia, Lufthansa and KLM; only the relatively small airlines, such as Swissair, Sabena and Iberia appear to have significantly lower labour productivity. These comparisons suggest that considerable room remains for improvement. The industry's net foreign currency earnings, though high, have not kept pace with the growth of activity. It has also become increasingly apparent that there are weaknesses in the institutional arrangements for regulating the industry. The air service licensing system has not worked as well as was hoped when it was set up in 1960. Justified criticism has been made of the system for appeals. The basic weakness has been a lack of clarity about the objectives of civil aviation policy and a lack of suitable machinery for acting positively in their pursuit.
8. When the Report was published the Board of Trade invited comments from all interested parties and the Government have taken account of the many views expressed in the course of extensive and thorough consultations. This White Paper is intended to provide a new charter for the industry for the next decade, on the basis of which it can build on past strengths, correct past weaknesses and grasp the immense opportunities that lie ahead. After setting out the objectives on which the Government's proposals are based and some of the limitations on their freedom of action, the White Paper deals first with the structure of the industry, taking in turn the future organisation of the public sector, the proposed "second force" airline and the structure of regional air services. The next section deals with other aspects of economic regulation, including pricing policy, transport co-ordination, subsidies, commercial agreements and aerodrome planning. A further section deals with human relations. The concluding section sets out the Government's intentions for the future regulatory system.
In any statement of the objectives of British civil aviation policy there is a need to strike a balance which allows the industry to plan with reasonable confidence and continuity, without imposing a crippling rigidity. There is also, as the Committee pointed out, a need to find a middle course between policy statements of such wide generality as to be open to almost any interpretation and those of such detail that they must inevitably produce a straitjacket within which it is impossible to adapt to changing and often unpredictable circumstances. The Report sets out a number of possible objectives for policy and the Government welcome the emphasis placed on the interests of the consumer, on the need for an economic return on investment and for rational pricing policies, on the safety of operations and on good conditions for those working in the industry.

In the Government's view the principal objective of civil aviation policy must be to encourage the provision of air services by British carriers, in satisfaction of all substantial categories of public demand, at the lowest levels of charges consistent with a high standard of safety, an economic return on investment and the stability and development of the industry. This objective must be set in the context of the need to help strengthen the balance of payments and contribute to the overall growth of the economy. In setting these objectives for the industry, the Government consider that the minimum of restriction should be imposed on it or on the users of its services, and that arrangements which restrain competition or innovation should be tolerated only to the extent that they are necessary to achieve the main objectives of policy. Thus, as will appear later in this White Paper, the Government favour the licensing of a second British carrier on a scheduled service route, where it can be shown that such competition would be in the public interest. Again, where the prices of inclusive tours have to be controlled, they should be set at levels no higher than is necessary to give adequate protection to competing scheduled services for which there is a genuine need.

The principle of the minimum of restraint on competition or innovation can, however, be applied only within the limits set by airline economics and the practical realities of international civil aviation. British civil air transport is an international industry, with well over 90 per cent of its output on international services. Here its competitive strength is crucial, and here it makes its greatest contribution both to the economy and the balance of payments.

The industry is, and will continue to be, highly regulated throughout the world for a number of reasons. First, there is the need for the highest standards of safety and the need to control aircraft noise. Second, there is the need for stability...
and regularity of public transport services. Lastly, there is the inescapable fact that international services depend upon a network of agreements reached with other countries, defining the traffic rights which airlines may enjoy. The need, therefore, is to operate within this framework in such a way as to give the industry the biggest possible opportunities in the expanding world market. At the same time, however, this framework of regulation can be modified by international bargaining, by both the airlines and the Government. This applies to fares as well as to traffic rights. Britain's international bargaining power is far from negligible.

The Government will incorporate these broad objectives in a policy statement that will be published and made binding upon the future regulatory body, to guide its work over the whole span of its activities. The rest of this White Paper sets out the Government's views on the organisational changes that are needed, and the policies that should be applied, in order to reach these objectives. This more detailed exposition of the ways in which the objectives should be pursued will form the foundation of the policy guidance to the new regulatory body. The Government accept that it may become necessary to vary parts of this guidance from time to time, to give effect to any changes of emphasis that may be required.
II. THE STRUCTURE OF THE INDUSTRY

14. The Committee were of the view that, in matters of industrial structure, the wiser course is to create conditions in which change can come about naturally over time under the broad strategic guidance of the regulatory authority, rather than to lay down a rigid and detailed pattern in advance. Their Report envisages a future structure in which there will be fewer airlines than there are now. A smaller number of airlines operating in an expanding market should, through greater economies of scale and of specialisation, be better placed to increase their earnings of foreign exchange and to serve the country's transport needs. The Government agree that structural changes should be encouraged, on the broad lines proposed in the Report. Greater size should not be pursued to the exclusion of desirable competition; but both the industry and the economy are likely to be harmed by an excessive fragmentation of effort.

15. The encouragement of structural changes on the lines now envisaged calls for more purposive regulation of the industry than the present legislation and licensing system permit. The Government accept that the task should be carried out by a Civil Aviation Authority charged by Statute to act in accordance with the objectives and policies laid down in the Government's formal policy statements. The Civil Aviation Authority will be concerned with the structure of the industry both in its broader terms and, more narrowly, in its decisions on individual routes. It is the broader structural issues that are the main concern of Government policy.

The public sector

16. The public sector provides nearly 95% of the industry's output on international scheduled services and 70% of the total output of the industry. It has contributed the main weight of the United Kingdom’s civil aviation effort over the years and will continue to do so. Its organisation is, therefore, of great importance. The two Air Corporations, set up in 1946 to specialise respectively in long and short haul operations, have responded successfully in different ways to the characteristics of the different markets they were designed to serve and the nature of the competition they meet. It is crucial to the future of the industry that the public sector airlines should be enabled to build on the positions of strength they have achieved in the face of growing international competition and changes in the structure of their markets.

17. The Committee considered how best this objective could be achieved. The present arrangements have created a natural rivalry between the two Corporations which has acted as a spur to enterprise and innovation, but which has also led to an independent and separate approach on some matters on which it would have been an advantage to have a more co-ordinated approach. The Committee laid great stress on the principle that no organisation should be made larger than necessary to secure the major economies of scale and specialisation and on the virtue of having more than one management group. Nevertheless, they concluded that more co-ordination was needed than could be achieved by co-operation between the two separate Corporations and they recommended the creation of a Holdings Board with full financial responsibility for and extensive powers of control over the operations of the two Corporations.
18. In considering this recommendation, it is essential first to assess the strength of the case for closer integration. The Committee discussed a number of areas in which common action might have brought considerable gains. They referred to the large investment of the Corporations in separate computer systems using entirely different equipment and in separate freight terminals and they concluded that, under the present arrangements, there was a built-in bias towards investment in separate projects of these kinds. They thought it important to ensure in future that the case for common facilities, even if they were not so completely suited to the purposes of one Corporation, should be fully weighed.

19. The Committee accepted that the indiscriminate amalgamation of engineering units might serve no purpose, but considered that BOAC and BEA might not be taking in as much of each other's work as is desirable or might become desirable in future. They, therefore, recommended continuous and effective study from an inside viewpoint. The Committee did, however, lay particular stress on the need for close co-operation in the engineering study of future aircraft and flight system requirements. Two independent project groups will each tend to think solely of the route structure of its own airline, instead of considering what balance of future aircraft types would create optimal conditions for the two airlines jointly. Consequently, the best solution for the public sector as a whole will never be sought. The Committee, therefore, recommended that project engineering should be provided as a common service for the public sector airlines. Other fields in which the Committee thought that the advantages of greater co-operation deserved close examination included industrial relations, catering, transport, training, advertising, the handling of inclusive tour charters, and hotel investment.

20. It was, however, in the crucial area of marketing that the Committee believed the greatest weakness in the present organisation was to be found. They considered that the public sector airlines should be organised so as to secure the maximum total net gain, and that inter-continental and European traffic should be considered together for this purpose. So long as each airline cultivates its separate market, so as to optimise its own interest, the best overall result may not be achieved. The Committee recognised that full consideration of this issue involved discussion about the allocation of routes between BEA and BOAC, about the use of the same aircraft on Atlantic and European flights and about relations with other European airlines—all matters of considerable complexity on which BOAC and BEA held divergent views.

21. The Government accept that these are powerful arguments calling for some change in the present organisation to provide for closer co-ordination. To help them in deciding what form that change should take, the Board of Trade undertook further studies intended primarily to throw more light on the extent of the possible advantages from centralised decision-making in the key areas of marketing through travel, and of fleet utilisation. The two Corporations co-operated fully in these studies though their views differed on certain issues. The starting point for these studies was the same as that adopted by the Committee—that the object must be to secure the best aggregate result. For example, the choice of aircraft for use on any single route must

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depend largely on the choice made for use on other routes within the same system and the potential market on any particular route depends partly on the market available on other routes which connect with it. The fundamental question to be answered was whether the best results for the public sector airlines as a whole could be achieved by treating them as a single system, or as two separate systems.

22. The studies suggested that significant gains in aircraft utilisation, and thus lower costs, might be expected in the longer term if the scheduling of aircraft were planned to match a single integrated route network rather than two separate systems. The saving would arise to the extent that fewer aircraft were needed to do the same amount of work. The opportunity is provided partly by the fact that, although the average stage length on BOAC's routes is much greater than on BEA's, each corporation operates on some routes where the stage lengths are similar or are more typical of the other's. Thus some of BEA's routes might be served as well or better by BOAC's long-haul aircraft and some of BOAC's routes by BEA's medium-haul aircraft. It can now be economic to use long-haul aircraft, which are usually also larger aircraft, on relatively short stage lengths where traffic densities are sufficiently high, for at least part of their working week. This is confirmed by observation of the activities of many foreign airlines which operate over both long and short stage lengths. In the short term the gains from the integrated scheduling of BOAC's and BEA's fleets are likely to be relatively small but in the longer term, as the Committee suggested, greater gains should accrue with the procurement of aircraft to match the greater scheduling flexibility that an integrated route structure permits.

23. The use of long-haul aircraft over short stages where traffic is dense makes it possible to seek the marketing gains that can be expected to arise from offering through travel on routes joining points that are at present served separately by the two Corporations. This involves not merely a unified selling effort for connecting services, but the offer of through travel on the same aircraft, for both passengers and freight, especially between North America and continental Europe. Since the fare for the transatlantic leg of a through journey is much greater than on the European leg, a relatively small increase in the number of through passengers would more than offset the loss of a larger number of passengers on the European sector. There are two aspects to this. First, through connections by single British aircraft could compete for the large amount of traffic which at present stops en route between North American and European cities. This is a market that is currently hardly served at all by British carriers, because of the rigid geographical division of function between the two Corporations, which has deprived the British civil aviation industry of many of the advantages of our location astride the short great circle routes between great centres of population in North America and Western Europe. Secondly, although connecting services through London or another point in the United Kingdom even by the same aircraft would generally be less attractive than direct flights offered by other airlines at convenient times, the total market is so large that the small share of it which might be captured where the British carrier's timing was more convenient - or a British flight was preferred for some other reason - would still represent a further substantial gain.
24. The size in total of the possible gains can be gauged by the total value of air traffic in 1968 between the continent of Europe and the United States - £250 million for passengers and some £70 million for freight - figures which should be at least twice as great by 1973. The winning of only a modestly increased share of this would be of great value particularly at a time when BOAC, with the introduction of their Jumbo jets, will have greatly increased capacity, and when an increasing proportion of traffic from the United States is choosing to travel through gateways other than New York, at which the United Kingdom has traffic rights. As time goes on, the traffic potential via the United Kingdom on any particular route may grow more slowly than total traffic on that route, or even decline, with the progressive introduction of foreign non-stop services between more and more city pairs. Nevertheless, the potential for British participation in the market as a whole can be expected to grow with the market, as this justifies the progressive opening up of connections between more city pairs.

25. It was beyond the purpose of the studies initiated by the Board of Trade to attempt to decide which routes might be most appropriate at this stage for through operators. A full investigation and detailed planning of particular operations could be done only by the airlines over a period. Nevertheless preliminary examination by the airlines of a sample of possible routes confirmed that a substantial untapped market existed from which the revenue would be almost entirely in foreign currency. It also suggested that, even allowing for any additional operating costs on the short sector certain of these routes could be operated profitably. BEA emphasised certain disadvantages that might result from any extensive re-adjustment of routes - particularly the increased risk of late departures from the U.K. where the aircraft began their journeys in North America and some possible loss of the advantages arising from their specialisation in the techniques of marketing and passenger handling appropriate to the very large numbers who travel on short routes. The Government, however, consider that there are worthwhile gains to be had from planning and operating the route networks of the two corporations in a more integrated manner.
26. Against this background, the Government have carefully considered the Committee's recommendations for the future structure of the public sector and have consulted the Corporations and other interested organisations. The Committee concluded that they could not support an outright merger and that any form of joint Airline Committee would not be sufficiently strong and effective. They recommended the establishment of a Holdings Board, which would have overall financial responsibility for all the decisions of the public sector and would be "in exactly the same position as a major Holdings Board in the private sector". At the same time, they expressed the view that the Holdings Board "should hold the reins lightly" and recommended various safeguards, including a careful balance in the membership of the Holdings Board, designed to preserve the status and identities of the Corporations (and of their Chairmen) and to ensure that the case for any measure of centralisation was "proved to a Board, where the majority of members were associated with particular airlines".

27. Both Corporations have criticised this proposal, in the form in which it was put forward, on the grounds that it would be likely to introduce a double layer of decision-making and so greatly to complicate and prejudice the commercial operations of the airline. Similar views were expressed by a wide range of other organisations and individuals. The Chairmen of the Corporations might still appear to be the "airline bosses" - as the Committee proposed - but they would be subject to the authority of the Holdings Board. There would be a danger of internal tensions which might be difficult to resolve. The Government accept the force of these objections. The Corporations have, in the meantime, greatly strengthened the Airline Chairmen's Committee, which was established in 1946, and argue that the major benefits to be gained from closer working could be achieved through this arrangement. In the Government's view, however, it would be unrealistic to expect the full potential gains from closer integration to be achieved if they depended simply on co-operation between two separate Corporations, each with its own interests to protect and each charged with the duty of earning its own return on capital.

28. In the light of these considerations the Government have considered whether it would be advantageous to proceed directly to the merger of BOAC and BEA into a single airline. The White Paper published by the previous administration in 1963 on the Financial Problems of BOAC stated that the arguments for and against such a course were, at that time, finely balanced. The evidence available, particularly on changes in the market and in aircraft performance, suggests that the balance has shifted towards integration. The Government are well aware, however, of the difficulty that is inherent in studies of this kind, of being certain that all the factors have been correctly assessed and of estimating with complete confidence the gains that might be achieved. The Government share the view of the Committee that the pace and precise degree of integration are best judged by those working within the industry and having responsibility for its performance. While it is clear that the realisation of the full benefits must depend on centralised decisions within the public sector on major planning and strategic issues, the Government share the Committee's reluctance to sacrifice the operating identities of the two Corporations.
29. The effective choice lies between two courses. The first is to leave BOAC and BEA to continue as at present, but to impose on them the duty to seek the greatest aggregate benefit for the public sector as a whole and to set up joint institutions for this purpose. It would have to be recognised that this could mean one of the two Corporations achieving poorer results than it might have achieved in isolation, in order that the other might achieve better. The second course is to establish a single Airways Board, charged with the task of maximising the aggregate benefit for the public sector, with substantially the same powers as were suggested by the Committee, but without the organisational restraints which have been the subject of particular criticism. It is this Board that would take all the decisions required to secure that the two airlines' fleets and routes were planned and marketed to the best overall advantage; it would be made clear that it had complete authority and responsibility and would not, therefore, be acting as an additional layer of decision-making. It would include the Chairmen of the two Corporations, and would be responsible for appointing the members of the boards of the Corporations. The Airways Board would decide, in the light of direct knowledge and experience, how far and how fast it would be justified in integrating the activities of the two airlines. It would be in a position to make changes quickly to meet changing circumstances. It would be responsible to the Board of Trade for financial control of the two airlines and for the planning of their future investments. The Airways Board would also be in the best position to undertake the reorganisation of secondary services in the public sector (which are considered later in this section) and other subsidiary activities.

30. The Government accept that the first course might, with determination, be made to yield some worthwhile results but are satisfied that the creation of a single Board would offer the best assurance that necessary changes were made when and as quickly as they were needed. Legislation will therefore be introduced to set up an Airways Board charged with achieving the optimum aggregate results by the Corporations. BOAC and BEA will retain their individual identities as operating airlines, but will be subject to the strategic control of the Airways Board. Although the change inevitably involves some loss of independence and will be unwelcome to some, the Government are convinced that both airlines will emerge stronger and better able to compete against their rivals, most of which run both short-haul and long-haul operations. The new organisational structure should provide greater career opportunities for those whose skill and work has contributed to the past performance of both Corporations. The public sector, and those employed in it, should benefit from the greater scope for the movement of management and staff between both the two airlines and the central organisation.

The independent sector

31. The Government agree with the Committee's view that there is a place in the industry for both publicly-owned and privately-owned airlines and that there may be a role for an airline group of mixed ownership specialising in the provision of regional air services. They agree also that there should be no attempt to lay down, in quantitative terms, a hard and fast share for each sector.
32. Competition and rivalry among airlines can, as the Report points out, make an important contribution to airline efficiency, especially by allowing the consumer to exercise freedom of choice. There are, of course, practical limitations to the pursuit of these advantages. The excessive fragmentation of effort must be avoided and the scope for direct competition on particular routes needs to be judged against the volume of traffic to be carried. Moreover, as the Report recognises, our opportunities to designate a second British carrier are likely to be limited by the nature of our bilateral arrangements. Nonetheless, the Government accept that the benefits of competition should be actively pursued wherever the practical considerations allow.

33. One of the more important tasks of the Civil Aviation Authority will be to keep under review the possibility of licensing a second carrier on a scheduled service route where this might be expected to increase the British share of the market or bring other benefits. In considering any applications the Authority will need to satisfy itself that three conditions are met. First, the applicant airline should have the skill and resources needed to mount an effective service and make it viable within a reasonable period. Secondly, the designation of an independent airline on a route already served by BOAC or BEA should not unduly impair the Corporations' services, or their capacity to meet the financial obligations laid upon them by the Government. Thirdly, the net increase in traffic gained by the two carriers together and the resulting benefits to consumers and to the balance of payments should more than offset any diseconomies. These criteria seem in the short term more likely to be satisfied on some of the trans-atlantic routes to the United States than elsewhere. The United Kingdom's air services agreement with the United States allows either party to designate more than one carrier.

34. The Government also agree broadly with the Committee's views about competition on domestic routes. There are already two carriers licensed to serve the trunk routes between London and Belfast, Edinburgh and Glasgow. In the longer term, as the volume of traffic increases, there may be room to license a second carrier on other primary routes. But the main need for the immediate future is to consolidate the position of the second carrier on those routes where competing services already exist, with a view to the eventual removal of limitations on the frequency of its services.

35. The independent airlines have progressively increased their share of a rapidly growing air transport market, mainly by developing inclusive tour and other charter services. This evolution has been encouraged by various forms of vertical integration between airlines and organisers of group travel; in this way economies of scale and of specialisation have been gained. The Committee forecast a continuing expansion in these sectors, especially for long-haul services. Freight charter services will also become increasingly important. The Government foresee a promising future for airlines specialising in these sectors, provided that they have the necessary financial strength and managerial competence.

36. The changing nature of the market, to which the Report draws attention, implies a continuing evolution in the character of air services and a progressive change in the balance between
scheduled and charter services on international routes. The main scheduled carriers will engage increasingly in charter operations, either directly or through subsidiaries. Conversely, the scope for specialist non-scheduled carriers will increase through changes in pricing policies and in the character of services needed on particular routes.

37. One of the ways in which the structure of all sectors of the industry may be strengthened is through mergers. The Civil Aviation Authority will encourage or facilitate mergers that seem likely to strengthen the industry in pursuit of the general objectives without unduly impairing competition. The formal statement of policy will provide for the Authority to act within the terms of the Government's general policy on mergers and to consult the Board of Trade on those proposed mergers which fall within the provisions of the Monopolies and Mergers Act, 1965.

A "second force" airline

38. The Report recommends that the private sector of the industry should be encouraged to form, by the amalgamation of two or more existing independent carriers, a "second force" airline that would fill the role of second flag carrier on international routes. It is to this new airline that the Civil Aviation Authority would give preference in allocating such licences for international scheduled services as are assigned to the independent sector of the industry.

39. The Government would welcome the emergence of such a new airline if it resulted in the strengthening of the industry as a whole and contributed to the realisation of the Government's policy objectives. They agree with the Committee's view that the establishment of a "second force" airline will almost certainly take some time. A new airline of this kind must evolve progressively, proving itself at each stage. It is for the airlines to decide, in the exercise of their commercial judgment and in the light of market forces, whether and in what ways to come together. It will be for the Civil Aviation Authority to judge whether any combination of airlines will be fitted for a particular role, and to scrutinise each route application on its merits within the framework of the Government's statement of objectives and policy.

40. The Committee made an estimate of the scale of operations that a "second force" airline might need to achieve by about 1975, if it was to have a reasonable prospect of long-term viability in the highly competitive conditions that it would face. This estimate was based on assumptions about the types of aircraft that would need to be employed and the numbers of each type that it would be economic to operate. A variety of such estimates can be made, depending on different assumptions about the future size and character of the market, the mix of routes and of activities in which the airline would engage, the types of aircraft that would be required and a host of other factors. It does not follow that the scale of operations needed to provide employment for a fleet of given size must necessarily be contributed wholly, or in any specified proportion, by scheduled services. Such evidence as there is suggests that the viability of an airline depends on a number of factors, of which size is not necessarily the most important. Certainly there is no uniquely "right" size or pattern of services that a "second force" airline would need to achieve in order to be successful.
41. The Government cannot accept that the formation of a "second force" airline should be made conditional upon the transfer to it of a significant part of the Air Corporations' route networks, as distinct from double designation in appropriate cases. The Committee emphasised that territorial concessions must be limited. Some reallocation or readjustment of routes, which might include some exchange of routes, would not be ruled out where, in the judgment of the Civil Aviation Authority, this would benefit the international competitiveness of the industry as a whole and the balance of payments. Such changes in route patterns must be considered in the context of the overall contribution of the industry to the objectives of civil aviation policy. These are matters to be determined by the Authority in the light of detailed study and argument and the Government do not intend to impose a preconceived reallocation of routes on any airline, which has borne the cost of developing the routes and is serving them well.

42. The Report proposes that the Board controlling the public sector should secure its own stake in the "second force" airline through share participation or convertible loan stock. The Government recognise certain attractions in this proposal but consider that on balance it would make it more difficult to achieve the full benefits of competition, and that it would be inappropriate to use public funds in this way. There are ample precedents for co-operation between airlines, where this would be in the national interest, without one having a stake in the other; nor is such a link necessary in order to secure effective communication on policy matters between the "second force" airline and the Board of Trade.

Regional air services

43. The Report makes an important distinction between the primary and secondary networks of scheduled air services. The primary network, which comprises the great bulk of international routes together with the domestic trunk routes, can be distinguished by the larger volume of traffic, which is reflected in the increasing use of the larger jet aircraft. The primary network includes the routes between London and Belfast, Edinburgh and Glasgow and other routes connecting the main international gateways. The secondary network comprises mainly domestic services together with certain related services mainly linking regional airports with the nearer parts of Continental Europe. This network in general requires the use of smaller aircraft, of types that are decreasingly useful in other sectors of the market, and to a growing extent those airlines which engage in both primary and secondary services need to maintain separate aircraft fleets and organisations for the two purposes. In addition there are services of a more local character, employing very small aircraft of limited range and capacity, which may conveniently be described as third level services.

44. Domestic air services within the United Kingdom have a long history of instability resulting from high costs and inadequate returns. This is attributable to a number of factors, including the shortness of average stage lengths, the low volume of traffic
on many routes, difficulties of securing adequate aircraft utilisation and increasing competition from surface transport. Many operators have found it impractical to run a domestic scheduled service network as a self-supporting business and have cross-subsidised their domestic operations from their earnings on inclusive tour charter services. Since the Report appeared, the continuing difficulties faced by operators in this sector have been illustrated by the decision of Autair International Airways to discontinue domestic operations after the end of October 1969 and to concentrate entirely on its profitable and expanding charter activities, and by the fact that British Air Services Limited, which controls BKS and Cambrian, has been going through a difficult period.

45. The Report recognises that the future viability of the secondary, mainly domestic, services demands a measure of route rationalisation together with some concentration of the structure of the airlines concerned, so as to allow economies of scale and of specialisation to be achieved. It is probably also important to work towards more economical standards of service, so as to offset the intrinsically high cost structure of low-density short-haul operations. The need is for coherent route structures, a scale of operations that will permit high levels of aircraft utilisation, and the elimination of frills without any sacrifice of safety or efficiency.

46. The Report recommends that a new regional airline group should be formed round the nucleus of British Air Services Limited, a subsidiary of BEA in which there is a minority private shareholding. BEA's secondary services would be transferred to the BAS group, so as to form a nucleus that other airlines might join. It will in any event be necessary to undertake an early reorganisation of the BAS group. The Government accept the underlying concept of the Committee's recommendation that there should be a regional airline or airline group as a separate subsidiary of the Airways Board, that would bring together all BEA's domestic services other than those which can be regarded as forming an integral extension of its primary international network, and routes served by BAS. The precise allocation of resources between the primary and regional networks and the reconstruction of BAS will need to be studied in detail before final decisions are made. This will be an important task for the Airways Board, at least during the initial stages of the development of the regional airline group.

47. The Report recommends, and the Government accept, that other airlines should be free to join the new regional airline group, provided that any investment in such acquisitions by the group could be expected to show an acceptable return within a reasonable period. The Government also accept that the new regional airline should not have a complete monopoly or powers of compulsory acquisition. The scope for further acquisitions will thus be limited, since the nucleus comprising BEA's secondary services and those of BAS will already provide about 70% of total output in this sector. It is clear that some airlines now engaged in this sector may wish to retain their independence and the Government would not wish to prevent this. Indeed there might be room for more than one airline group to evolve under the supervision of the Civil Aviation Authority.
48. The Report envisages that the new public sector regional airline should have the structure of a holding company controlling a number of subsidiaries with close regional affinities, and that there should be private equity participation at both group and subsidiary levels. The Government are content that an appropriate structure should be allowed to evolve under the control of the Airways Board and under the supervision of the Civil Aviation Authority.

49. The Government foresee a significant and growing role for third level services, such as already exist, for example, in Scotland, the South West of England and the Channel Islands.

50. The Civil Aviation Authority will have a major responsibility in studying and promoting the rationalisation of regional services, in particular through the examination with the airlines of the scope for route rationalisation and the encouragement of co-operation. The Government accept the need for appropriate pricing policies to be evolved. It will also be for the Authority to ensure that, while the needs of the regions for services to the Continent are fully recognised, there will be the minimum of diversion of traffic from British flag carriers to the long-haul services of foreign airlines. The Authority will consult the authorities of the Channel Islands and the Isle of Man insofar as structural changes in domestic services may affect their interests; the Government will discuss with the Island authorities what machinery should be established for this purpose.
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III. ECONOMIC POLICY

51. The Report draws attention to a number of matters that are less directly related to the structure of the industry but are nonetheless of prime importance for its wellbeing and for the realisation of the general objectives. The Civil Aviation Authority will play a major role in the study and application of policies in these fields, including the primary responsibility for conducting or initiating basic research where this has been lacking in the past. In some instances the Authority will have sole responsibility, in others it will contribute to more widely-concerted efforts.

Pricing

52. The Report advocates progress towards a more rational price structure for the industry as closely related to costs as can be achieved. The Committee were well aware of the practical constraints and of the fact that changes in pricing policy must be gradual. In the international field this country cannot act unilaterally, although it can have a point of view which, over time, it might persuade others to share. The Government accept these views and recognise the need to evolve pricing and licensing criteria that will correspond more closely to market conditions as they develop. This is a task for the Civil Aviation Authority, which will be directed to establish appropriate consultative arrangements with all sections of the industry and with users of air services.

Cross-subsidisation

53. The Government accept that, as a guiding principle for the longer term, air fares should so far as possible reflect the long run marginal costs of producing the services in question, proper allowance being made for the cost of capital. In the long run ground costs should, so far as practicable, be fully taken into account. This does not preclude the cross-subsidisation by existing profitable services of new routes that are in the development stage, provided that these new routes are likely to become self-supporting within a reasonably short time. Where, however, particular services are cross-subsidised on a continuing basis, this indicates that there may be a misallocation of resources that should be rectified. The same principle applies to the prices charged for different classes and categories of travel. It argues also for a greater readiness to allow fare differentials according to the type of aircraft used (as for example between jet and turbo-prop aircraft or as between supersonic and subsonic aircraft) and for the greater use of differentials related to the hour of travel and the length of booking period required.

Domestic fares and freight rates

54. The Civil Aviation Authority will inherit from the Air Transport Licensing Board the responsibility for establishing the United Kingdom domestic air tariff. The Authority will be required to observe the Government's policies for the control of prices. The Government will retain the power to refer increases in domestic air fares and freight rates to the National Board for Prices and Incomes in appropriate cases.
It will also be the responsibility of the Authority to control the minimum prices of inclusive tour holidays to the extent that this continues to be necessary. The Government agree with the Committee that the distinction between scheduled and non-scheduled services is changing. They accept that inclusive tour prices must in general be related to public fares on scheduled services, but agree that they do not need to be identical, or indeed that there must be a relationship, in every case. The two main criteria are that the structure of prices for inclusive tours, where these are controlled, should be internally coherent and that their levels should be no higher than is necessary to give adequate protection to competing scheduled services for which there is a genuine need.

The Report argues that a scheduled carrier has an implied obligation to serve his routes with a frequency and capacity sufficient to ensure that, on average, the demand for seats is adequately met at reasonably short notice and with a reasonable choice of timings. The non-scheduled carrier has, in this sense, a lesser obligation. It follows that a scheduled service, operating as it must at a relatively lower average load factor than a charter service will be costlier to run. The report goes on to argue that, where the demand for scheduled services warrants, it is right to protect the scheduled carrier from the effects of lower priced charter competition, for example by setting minimum prices for charter inclusive tours and imposing restrictions on the types of traffic that can be carried at uncontrolled prices. But there may be routes where the pattern of demand does not justify the protection of scheduled services in these ways and where it would be sensible to remove existing restrictions. In the words of the Report: "... scheduled services should only be given a protected status where there is a clear need for this type of public facility."

Progress in this direction cannot be fast. First, a detailed route-by-route examination is needed to find out where the pattern of demand is such as to allow the present degree of protection to be reduced or perhaps removed. This will be a task for the Civil Aviation Authority. Secondly, the United Kingdom can only move in concert with other countries.

In the intervening period progress can be made on the lines of the tariff for the 1970 summer season of inclusive tour holidays in Europe, which was announced last July after consultation with the Air Transport Licensing Board and the industry. This tariff is designed to encourage off-peak travel, to develop traffic on the longer European routes and to reduce the adverse differential on inclusive tours departing from the provinces. This is the most recent of a series of changes in the structure of inclusive tour control prices, which have already borne fruit in terms of increased traffic for both scheduled and non-scheduled carriers, with corresponding benefits to consumers.

It should now be possible to begin to extend these policies to the prices of inclusive tours to destinations outside Europe. The provisions governing affinity group travel will also come under review.
International fares

60. International scheduled service fares and freight rates are regulated in the context of agreements with other countries for the exchange of traffic rights. The closely-meshed nature of the world network of air routes had led to arrangements for the settling of the tariffs through the mechanism of the International Air Transport Association rather than by a multiplicity of bilateral negotiations. It is impracticable for one country to act in isolation. The Report accepts that, despite its limitations and shortcomings, there is no ready alternative to this system but recommends that the United Kingdom should play a more forceful role in these matters.

61. The Government accept that the pursuit of more positive pricing policies generally must imply a more vigorous approach, through argument and persuasion, in IATA and in inter-governmental discussions. United Kingdom airlines play an influential part in IATA's deliberations and it is right that they should use their influence to further the objectives and policies laid down for the industry as a whole. To this end the Authority will play its part, in concert with the Board of Trade, in guiding the airlines concerned as to the objectives they should pursue, in ample time to influence the proposals they table in IATA.

62. The Board of Trade, in discharging its continuing responsibility for international relations in the Civil Aviation field, will retain its present responsibility for giving or withholding approval of IATA tariff resolutions and for negotiations with other governments on tariff matters. In carrying out these functions the Board of Trade will act in close consultation with the Authority at all stages and each will have the benefit of the other's advice.

Transport-co-ordination

63. Transport services within the United Kingdom have to be viewed as a whole if the best use is to be made of available resources in competition with rival investment needs. In the long run, the key to the optimum allocation of resources will be the adoption of appropriate pricing policies throughout the transport sector and the policies set out in paragraph 54 above represent a useful contribution towards this objective.

64. So far as investment in domestic transport involves public funds, the total amount to be allocated to the transport sector and its allocation within that sector must remain the Government's responsibility, acting with the advice, among others, of the Civil Aviation Authority, the Airways Board, the Freight Integration Council and the Regional Economic Planning Councils. The adoption and pursuit of appropriate pricing policies will provide a uniform measure of the scope and need for private investment in domestic air services and, in conjunction with standard investment criteria, a basic tool for the co-ordination of public investment so as to avoid wasteful duplication.

65. In carrying out its responsibilities regarding route licensing, fares and aerodrome planning, the Authority will have regard to the pattern of planned investment in all forms of internal transport and in particular to the implications of technological innovation. To this end the existing Government machinery for consultation on these matters will be extended to include the Authority and machinery will be further developed for consultation between the Authority and other major transport interests.
66. The structural changes proposed for secondary services, together with changes in pricing policies, should enhance the viability of air services to the regions. The Government recognise, however, that despite these changes there may still be certain routes or route networks that could not attract sufficient traffic to permit viable operation for a number of years or for the foreseeable future. Air services can often play an important part in the total transport and communications pattern of the regions and may indeed be essential where alternative means of transport are inadequate. The Government therefore accept the Committee's conclusion that the development of certain air services may need to be subsidised, where this would contribute to the economic and social development of the regions.

67. The Report points out, however, that no conclusive link has yet been demonstrated between the provision of air services and the pace of regional economic development. Such evidence as there is suggests that the existence or lack of air services may not be a major consideration in most industrial location decisions, which must necessarily take account of a host of other factors. Accordingly the Government consider that the first task must be to develop methods of assessing the economic and social benefits that might accrue from the provision of particular air services. Before determining the amount of any subsidy that might be justified on these grounds, it will be necessary to analyse the operating economics of the airlines concerned, the current and potential traffic flows, the influence of pricing policies and the impact of the structural changes foreshadowed in the previous section of this White Paper. Only then will the Government be able to judge the strength of the case for subsidising any particular service in the light of their general policies for transport co-ordination and regional development.

68. These economic studies will be an important task for the Civil Aviation Authority to undertake, in an advisory capacity, in conjunction with the Government departments concerned and in consultation with regional and local authorities. In view of the importance of this task, preliminary studies, building on work that has already been done in related fields, will be put in hand without waiting for the introduction of the legislation establishing the new Authority.

69. If, in the light of these studies, it is decided that an air service should be subsidised from public funds, then it is accepted that the subsidy should be direct in relation to that service. This is preferable to the present situation, in which air services are often cross-subsidised on a continuing basis by other more profitable services or are indirectly and indiscriminately subsidised in the sense that aerodrome and ground service costs are not fully recovered. Nor is it the Government's intention that support should be given by taking air services into the public sector and running them on a continuing basis at less than an acceptable rate of return. Primary domestic routes and international services from the United Kingdom will not be eligible for subsidies and the United Kingdom cannot be expected to subsidise holiday routes to the Channel Islands and the Isle of Man.
70. The Report suggests that subsidies should be financed by the reallocation to air services of funds already allocated to regional development, on the basis of recommendations by regional authorities. Financial assistance to regional development is given for particular purposes and is not allocated among the regions in predetermined amounts. There are also other respects in which the legislative provisions and machinery for regional development assistance do not easily lend themselves to a scheme such as the Report proposes. The Government accept the principle that regional authorities should advise on the relative priorities to be accorded to the support of air services and other forms of transport in and between their regions but it must remain the Government's responsibility to decide on the amount and source of public funds that should be made available both in total and in individual cases. In so doing the Government will take account of the progress being made towards the full recovery of the costs of aerodrome and technical services, as well as the impact that a particular subsidy might have on other forms of transport. The Government also agree that a proportion of the cost of any subsidy should in principle be borne by the communities and local interests that benefit from the service and that the airline concerned should have every incentive to eliminate losses within a reasonably short period. In particular, account must be taken of any benefit to the airline from interlining traffic and of the likely growth of total traffic on the route.

71. The Government will seek powers to grant subsidies, where these are shown to be justified, in legislation to be introduced as soon as possible. It is clear, however, that the payment of subsidies, which must depend on the conclusion of the necessary studies, cannot begin immediately. Subsidisation and rationalisation must go hand in hand and, as the Report makes clear, some time will be needed. The maintenance of services during the interim period must in general remain, as hitherto, a matter for the commercial judgment of the airlines concerned, with such assistance as may be given by the communities and local interests that benefit. In the public sector, domestic services that are running at a loss will normally be kept going only where there is a prospect of their being made profitable within a reasonable period. There may, however, be instances in which interim arrangements to keep services going will need to be considered on their merits.

72. The Government recognise that the geography of the Scottish Highlands and Islands sets limits to possible improvements in alternative means of transport, so that there are special grounds for ensuring the continuation of essential air services in this area. These services will continue to be supported by cross-subsidisation, the incomplete recovery of aerodrome costs and non-recovery of ground service costs until alternative arrangements are made.

73. The Civil Aviation Advisory Committees have been making an important contribution to the formation of civil aviation policy. The Government accept, however, that in the new environment their non-statutory functions should be transferred to the Regional Economic Planning Councils and that the Advisory Committees should then be discontinued.
Commercial agreements

74. The Government agree with the Committee's view that pooling and other commercial agreements may often be in the public interest. In some cases, such agreements are mandatory under the United Kingdom's Air Services Agreements with other countries or are necessary to permit the fullest development of British airlines' services. Co-operation between pool partners in such matters as the scheduling of flights may well result in the greatest aggregate benefit to the airlines concerned, to the economy and to the consumer. In some cases, however, commercial agreements may have the effect of muting competition, impairing efficiency, lowering the standards of service to the public or detracting from the country's overall economic interest.

75. The Government agree, therefore, with the Committee's view that this is an area where constant vigilance is needed. They consider that all commercial agreements should be filed with the Civil Aviation Authority and be subject to review. In examining such agreements, the Authority will be guided by the Board of Trade as to the international and general policy implications of any action that it might take or recommend.

Aerodrome planning and pricing

76. The Government accept the view of the Committee that research into aerodrome planning should be accelerated. As the Report recognises, the effective power to implement plans rests with aerodrome owners and the Government accept the Committee's view that there is insufficient case for reversing the policy of successive Governments on aerodrome ownership. Nevertheless they agree that the preparation and publication of studies on aerodrome planning will be of great benefit to owners and other authorities concerned with aerodrome development. It will be a responsibility of the Civil Aviation Authority to study the requirements for aerodromes to match the development of air services. The Government will, however, remain responsible for the allocation of public funds by way of direct or indirect subsidies, in this field as in the field of domestic air services. Nor do the Government intend in this context to change the legislation governing land use planning, since aerodrome development affects much wider interests than those of civil aviation alone.

77. The Report recommends that aerodrome charges should be subject to approval by the same body that is responsible for the regulation of air fares. Aerodrome owners are to some extent in a monopoly position and aerodrome charges are relevant to the fixing of air fares, the development of regional air services and the examination of the need for subsidies to be given in certain cases. The Government therefore agree that the Civil Aviation Authority should be given the task of advising the Board of Trade on the structure and levels of aerodrome charges. To this end the Government will set out their pricing policy for aerodromes, reflecting the guiding principle in paragraph 54 above, in their formal policy statement; the Authority will be instructed to have due regard, in framing their recommendations, to the financial objectives set by the Government for the British Airports Authority and to the international implications of changes in airport charges. Aerodrome owners will have the same opportunities as airlines to challenge the Authority's recommendations, where these appear to conflict with the declared policy.
Aircraft procurement and finance

78. The aircraft manufacturing industry has its own important place in the British economy. The Government is closely concerned with its success in selling its products in the widest possible markets and with its earnings of foreign exchange. Where the cost and risks of launching a promising new aircraft design are beyond the industry's capacity, Government assistance is at present given through launching aid schemes, provided it can be demonstrated that the project satisfies certain strict economic criteria so that there is a good prospect of recovering the investment through a levy on sales. Such assistance must, in objective and in administration, be distinguished from policies designed to foster the development of civil aviation. It is already inherent in Government policy that any support for the development of British aircraft should be given directly to the manufacturing industry. The Government welcome the Committee's reaffirmation of this principle.

79. The Government have carefully considered the recommendations in the Report on finance for aircraft purchase and the eligibility of aircraft for investment grants. The Government's policies for civil air transport are intended to strengthen the industry and improve its financial stability and return. There is no reason to expect that efficient airlines earning a commercial rate of return will be unable to call on the financial facilities they need in order to renew and expand their fleets, without additional Government assistance being required. The Government therefore see no reason to change the decision, which they took in 1966, in general to exclude investment in the services sector (including investment in aircraft) from the scope of the investment grants scheme. Nor do they see any reason to seek to extend to United Kingdom airlines the arrangements for fixed-rate Government-guaranteed bank credit that apply to British shipowners' purchases of British ships.

Air Transport Association

80. The Government welcome the recommendation that the industry should establish an Air Transport Association to facilitate consultation between the industry and the Government, the Civil Aviation Authority and users of air transport services.
IV. HUMAN RELATIONS

81. The Government welcome the Committee's constructive approach to human relations questions and in particular the emphasis placed on the value of consultation and the need for proper negotiating machinery. They accept the recommendation that all airlines should be placed under the same obligation as are the Air Corporations, by virtue of Section 23 of the Air Corporations Act 1967, regarding negotiating and consultative machinery. Provision for this will be made in the Bill to establish the Civil Aviation Authority. This will provide for the Authority, when considering an airline's entitlement to operate, to satisfy itself that the airline has complied with this obligation. This will be analogous to the provisions requiring the Authority to satisfy itself that an airline has adequate financial resources, competent management and the ability to operate safely.

82. The Government share the Committee's hope that the industry of the future will offer stability of employment and attractive career opportunities, and welcome the Committee's view that high levels of labour productivity are essential not only for the industry's wellbeing in an increasingly competitive environment but also as a basis to afford high levels of pay to skilled and efficient staff. In the Government's view, levels of pay should reflect the employees' contributions to productivity as well as differences between airlines as to the character and responsibility of employees' tasks, and this will preclude absolute uniformity of pay rates. Accordingly the Government intend to amend Section 15 of the Civil Aviation Act 1949 to make it clear that, in interpreting the obligation under Section 15(1), regard should be had to the terms and conditions of employment as a whole observed by the Corporations and those observed by the independent undertakings.

83. The Government attach importance to the role of the National Joint Council for Civil Air Transport, not only as a forum for the negotiation of terms and conditions of employment but also for its contribution to the promotion of increased productivity. They reaffirm their desire that the airlines in membership of the Council should be more fully representative of the industry.

Participation

84. The Government share the Committee's view that a sense of employee participation is important. The Government recognise that the most effective method of participation is through membership of a trade union which negotiates on all questions affecting conditions of employment; they are also in favour of experiments in the appointment of workers' representatives to the boards of undertakings. The Government hope that the airlines, some of which have been leaders in the development of productivity bargaining, will show similar enterprise in devising new forms of staff participation and involvement.
Economic regulation

85. The Report identifies some shortcomings in the present machinery for the economic regulation of civil air transport. There is no doubt that, if this machinery were to continue in its present form, a number of changes would be needed. The Government share the Committee's view that the Air Transport Licensing Board has ably acquitted itself within the limits set by the legislative framework, although these limits and the way in which they have been interpreted prevented the emergence of a broad strategy for the industry on the lines originally hoped.

86. The Civil Aviation (Licensing) Act 1960 limited not only the range of the Air Transport Licensing Board's responsibilities but also the practical scope for it to play a formative role. It was a weakness, as the Report points out, that the objectives of British civil aviation policy were not set down more fully as a guide to action. The tendency has been for the Licensing Board to await applications and to grant those which satisfied a limited number of very general criteria.

87. In the present White Paper, the Government are setting out a broad strategic framework as a guide both to the future regulatory authority and to the industry. The adoption of the objectives and policies set out in this White Paper will require the new regulatory body to act positively in pursuit of the Government's declared objectives and policies. It will need sometimes to take the initiative rather than just to respond to the initiatives of applicant airlines. Clearly the need to choose between competing claims to serve particular routes will remain but in future the basis for selection will be different. The future regulatory body will be responsible, within the terms of the Government's declared policy, for shaping route networks and for measures to strengthen the industry's structure. It will have to consider what roles are needed and are available for airlines to perform and the ability of particular airlines to perform them. This will involve a more discriminating approach than has hitherto obtained. It will sometimes be necessary, for example, explicitly to close a sector of activity to new entrants, or to encourage or discourage certain kinds of diversification by airlines.

88. In this and in other respects there will need to be a continuing dialogue between the regulatory body and the industry as a basis for forward planning. The relationship will need to be consultative and not confined to the formal hearing of evidence and argument. The working out of the details of Government policy, over the very broad range of matters covered in the Report and in this White Paper, will involve guidance and advice as well as direction. The programme of basic research to be undertaken by the new body will lead to a better understanding of the environment in which the industry operates, for the industry's benefit as well as the Government's.
The Government believe that the economic regulation of the industry should continue to be carried out by an expert body that is not subject to detailed supervision by Ministers in its day to day decisions and which, therefore, should lie outside the normal framework of a Government department. As the Report points out, a separate body can speak authoritatively both to and for the industry. Within the discretion allowed it by the Government's formal policy statement and directives, detailed decisions can be taken with full knowledge and understanding and with the undivided attention that the Minister in charge of a busy department cannot hope to give.

Safety and Technical Regulation

The Report stresses the inter-relationship between the economic, operational and technical regulation of the industry. All aspects of airline activity have a bearing on the safety of the services provided to the public. Conversely, the achievement of high standards of safety imposes an economic cost which needs to be taken fully into account both in creating the conditions in which airlines can operate profitably and in assessing the ability of an airline to fill a particular role. The more purposive direction of economic regulation which the Government now intend to adopt will make it more important to take account of these relationships. The quality of decisions, both about an airline's capacity and performance and about the course of future developments, will be improved if the regulatory authority has the fullest possible knowledge and understanding of all aspects of airline activity.

There are close links between the work on operational safety, which is at present the responsibility of the Director General of Safety and Operations, and the work of the National Air Traffic Control Services, which both at present come within the Board of Trade (the latter jointly with the Ministry of Defence). With technical advance, there are also increasingly close links between the operational safety work at present conducted by the Board of Trade and the work on airworthiness conducted by the Air Registration Board; indeed, the Air Registration Board has recently suggested that there might be a case for combining some of these functions. The several aspects of operational regulation - the certification of airworthiness, the rules governing the flying of aircraft, the testing of professional competence, the assessment of an airline's ability to operate safely and the control of aircraft movements - are interlocking aspects of a single operating environment.

For these reasons, the Government accept that the enhanced economic functions should be carried out, in accordance with a published policy directive, by a regulatory authority outside the normal departmental machinery; that this authority should combine with these functions responsibility for the operational regulation of the industry; and that all the operational and technical functions should be brought together within the same body. They accept, therefore, that there should be a single Civil Aviation Authority having responsibility for the whole spectrum of economic, operational and technical regulation, including responsibility for airworthiness and for the non-military aspect of the air traffic control services. A single body with responsibility over this whole field would be in the best position to form coherent judgments both on the activities of individual airlines and on the developments which will best serve the national interest in this rapidly expanding industry.
93. The Civil Aviation Authority will be able to develop a comprehensive expertise in all aspects of the industry's affairs. As such, it would be well placed to attract staff of the many professional skills required. A larger organisation such as this would be able to offer better career prospects to many of its highly skilled and specialised personnel, who would gain the opportunity to broaden their fields of specialisation by moving between areas of work that are at present in separate compartments. At the same time, as the Report points out, there would be a continuity of experience that the Civil Service is less able to guarantee. Provision will be made for some movement of staff between the Authority and Government Departments.

94. In reaching this decision, the Government recognise that certain problems will require solution and that adjustments will have to be made. In particular the separation of policy-making from its execution will require the maintenance of the closest contacts between the Board of Trade and the Authority at all times, and both will be involved together in a number of important activities.

95. In accepting the recommendation that the responsibility for airworthiness should be brought within the Authority, the Government intend no reflection on the Air Registration Board's past performance. The Board justly enjoys a high regard throughout the world and the Government are anxious that the scope and character of the Board's relations with the manufacturing and operating industries should not be impaired. The Government will be concerned therefore, to ensure a minimum of disturbance either to the present internal organisation of the Air Registration Board or to the present arrangements for consultations with outside interests. The Authority will draw on the same sources of advice as are at present available to the A.R.B.

96. The National Air Traffic Control Service has the duty both of controlling aircraft movements and also of accommodating different categories of users within the United Kingdom's limited airspace. Approximately half the aircraft based in this country are civil, and half are engaged on defence duties, with aircraft movements in about the same proportion. The needs of the various categories of civil users and of defence are different and often conflicting. The resolution of these conflicting requirements demands a combined approach to the use of the United Kingdom's airspace as a whole, and it was for this reason that the National Air Traffic Control Service was set up in 1962 as a joint defence and civil body. The confidence of all users of the air in its impartiality and ability to take the national view is important to its success. The Service will continue to operate on an integrated and national basis and will be responsible jointly to the Ministry of Defence and to the Civil Aviation Authority. The appointment of the Controller, who may be either a civilian or a serving officer, and other senior officers will as now be made jointly with the Ministry of Defence. The Authority, in taking over from the Board of Trade the responsibility for providing the civil component of the joint Service will be subject to the Government's direction on matters affecting the balance between civil needs and those of defence.

97. In taking over the safety of aircraft operations and responsibility for the civil side of air traffic control, the Authority will acquire certain responsibilities in relation to general aviation and will not be solely concerned with commercial airline operations. The Government's formal statement of policy will include guidance to the Authority in matters affecting aerial work and private flying.
The Constitution of the Civil Aviation Authority

98. The Civil Aviation Authority will be established as a body corporate governed by a Board appointed by the Board of Trade. This Board will comprise members with executive responsibilities together with independent members. The intention is that one independent member should have special responsibility for the interests of consumers.

99. The decisions of the Authority will be decisions of its Board, subject to any measure of delegation that may be provided for. The Authority will conduct formal hearings of applications for air service licences in appropriate cases; the procedures governing such hearings will come under the general supervision of the Council on Tribunals. Because of the executive responsibilities of most Board members, it is envisaged that hearings will take place before the full Board only in cases of major significance.

100. The Government accept the recommendation that a system of pre-hearings should be introduced, provided that this does not result in two levels of decision. The pre-hearing procedures will be concerned with the clarification of the issues and the evidence to be heard, so as to expedite formal hearings.

The Policy statement and appeals

101. As stated in paragraph 13 above, the Government accept that their objectives and policies for the industry should from time to time be set out in a published statement. They also accept the recommendation that such statements should be made binding upon the Authority by giving them a suitably formal status and submitting them to Parliament for approval. They propose therefore to make provision, in the Act establishing the Authority, for statements of policy to be made by means of appropriate instruments.

102. The Government recognise that stability and continuity of policy are important for the ordered development of the industry and accept, therefore, that changes should be relatively infrequent. Subject to certain provisions for specific directives to the Authority discussed below, they accept that the declared objectives and policies should be amended only by way of similar formal procedures.

103. The Government share the view that the system of appeals established by the Civil Aviation (Licensing) Act 1960 has undermined the authoritative character of the licensing body. They accept the recommendation that the grounds on which an appeal may be made against a decision of the Authority in matters of air service licences should be limited to the issue of the consistency of such a decision with the declared policy.

104. The Government accept that an aggrieved party should be able, as at present, to object to a decision of the Authority on grounds of vires and to seek a prerogative writ so as to
bring procedural defects before the Courts; but they see
difficulty in the further recommendations that the Courts
or a judicial tribunal should hear an appeal on the issue of
the consistency of a decision with the declared policy. The
formal policy statement, being concerned with essentially
economic criteria, is unlikely to be expressed in terms lending
themselves to judicial interpretation. The consistency of the
Authority's decisions with the policy can best be judged by the
Board of Trade, which will have drawn up the policy statement
in the first place.

105. Accordingly the Government propose that a party to a case
decided by the Authority, in a matter of air service licensing,
should have the right to refer the matter to the Board of Trade
on the grounds that the decision cannot reasonably be brought
within the terms of the Governments' statement of policy.
In order to limit abuse of this procedure, the Board of
Trade would take the power to vary the decision, at their
discretion, only if in their opinion the decision was not
consistent with the policy then in force.

106. The Government also accept that the Board of Trade should
be empowered to suspend action on a case, in a matter of air
service licensing, on giving notice that it presented issues of
policy which they wished to consider. This power would be
exercisable either before or after the Authority had reached its
decision and even though the Authority's decision, if reached, was
within the terms of the policy then in force. This power is
necessary to ensure that the policy can be adapted from time to
time in order to meet changed situations, as well as to ensure
the long-term consistency of the Authority's decisions with the
Government's and Parliament's intentions. This is, however, a
reserve power to be used sparingly and only when a major change
of policy is called for.

Air Service licences

107. The adoption of more purposive regulatory policies on the
lines described in paragraph 88 and the bringing together of
economic and operational regulation under a single Board will
demand an early reappraisal of the forms and categories of air
service licences. Among the points to be considered are the
kinds of air services that need to be licensed, the extent to
which they should each be licensed separately and the way in
which requirements bearing on tour operators should be given
effect. In particular it will be necessary to define the way
in which the licensing system should reflect the duty of the
Civil Aviation Authority to satisfy itself as to an airline's
general competence, its ability to operate safely, the adequacy
of its financial resources and its compliance with the requirement
regarding the establishment of or participation in appropriate
industrial negotiating machinery, before allowing it to engage
in commercial airline operations. One aspect of this question
is the need to modify the present arrangements, under which an
airline that has not passed some of these tests may nonetheless
engage in exempt services of a commercial character.
Government will direct the Authority to keep these matters under continuing review, bearing in mind the need for the simplicity and reasonable stability of the licensing arrangements.

The allocation of functions

108. In accepting the concept of a Civil Aviation Authority on the lines proposed in the Report, the Government are accepting also the broad complex of functions that the Report proposes the Authority should discharge. There are, however, certain exceptions and qualifications.

109. The Report recommends that the Authority should be in a position to carry the main weight of international traffic rights negotiations in most cases, in association with the Foreign and Commonwealth Office, but recognises that the Board of Trade, which will remain responsible for general civil aviation policy, must reserve the right to concern itself with these. There is force and merit in this proposal since the interrelation between route licensing and other decisions of economic regulation on the one hand and the negotiation of international traffic rights on the other is so close that the same body should be intimately involved in both.

110. The Government consider, however, that international negotiations on civil aviation, as on other subjects, must remain the responsibility of Ministers and that it would be neither appropriate nor practicable to charge the Authority with the duty of conducting international discussions whether on traffic rights or on such other civil aviation matters as the acceptance and discharge of obligations under the Chicago Convention. Since these are specialised areas closely related to aviation policy the Government propose that they should, as in the past, be primarily the responsibility of the Board of Trade advised by the Authority. The Board of Trade will have the power to give specific directions to the Authority where this is necessary to secure the implementation of international obligations.

111. Nonetheless it is desirable that the Authority should be intimately associated with the Board of Trade in these matters. The Government intend that the Authority should have an advisory role in the negotiation of traffic rights and should provide in appropriate cases members of the United Kingdom delegation for international negotiations and meetings. In other matters only the Authority will be able to provide the specialist representation in international discussions. Accordingly arrangements will be made for the Authority to participate in international negotiations and in the proceedings of international organisations, and in appropriate cases to represent the United Kingdom in those matters.

112. The Report recommends that the Authority should have the responsibility for the control of aircraft noise. Most noise abatement measures impose some degree of penalty on aviation. Considerations of technical feasibility, compatibility with safety, and the economic penalties, must be of direct concern to the Authority, but the Government have a duty to ensure that a balance is maintained between the interests of the industry and the amenity of the public. It would not be sufficient to
rely on the terms of a general policy directive. The main responsibility for noise abatement must therefore remain with the Board of Trade, consulting the Authority where appropriate, and with the power to issue and publish directions to the Authority to implement particular noise abatement measures.

113. The Authority will not be empowered to make subordinate legislation but will be the principal source of advice to the Board of Trade in the making of such legislation in the safety, technical and operational fields. The Authority will, however, have powers to make bye-laws in certain cases, subject to confirmation by the Board of Trade, together with powers to impose conditions or requirements in connection with the grant of licences or other permissions. The Board of Trade will retain a small staff with understanding of safety and operational matters sufficient to advise on policy and on legislation matters.

114. As part of its overall responsibility for safety matters, the Authority will have responsibility for the licensing of aerodromes. Management and operation of the Highlands and Islands aerodromes and of Aberdeen depend to a substantial degree on services provided by personnel of the National Air Traffic Control Service and of the Civil Aviation Office for Scotland. Since both these organisations will be transferred to the Civil Aviation Authority it is expedient also to transfer the ownership and management of these aerodromes. The Government will look to the Civil Aviation Authority in conjunction with the Airways Board, to study and make recommendations on the future ownership and management of this group having regard to economies which might result from common control with the associated air services. It is possible that at the time when the Civil Aviation Authority is set up one or two other civil aerodromes will remain in the ownership of the Board of Trade. The Board of Trade will continue, in accordance with long-standing Government policy, to seek to transfer ownership or management of these aerodromes to other responsible bodies on reasonable terms.

115. The Report emphasises the need for the Authority to probe more thoroughly the financial and managerial resources of airlines and also the need for the fuller publication of financial and statistical data. In particular the Report recommends that financial results should be reported in a standard form. The Government accept that the Authority will need to obtain full and up-to-date returns and will empower it both to obtain and to publish such information in respect of airlines and the organisers of inclusive tours. Arrangements will be made for co-ordination between the Authority and the Government Statistical Service. The Government regard the publication of fuller information as being of considerable importance so that the public may be able to judge the performance of the industry as well as that of the Authority in exercise of its stewardship.

116. The steady evolution of interlocking arrangements between airlines and the organisers of group travel, together with the emphasis placed in the general objective on the interests of the consumer, require that the Authority should be in a position to
satisfy itself that adequate arrangements have been made to safeguard the public against the risks consequent upon the financial failure of organisers of group travel involving air transport and, if necessary, to require the furnishing of appropriate guarantees.

Financial control

117. The annual expenditure of the Authority is likely to be about £25 million, the greater part of this figure being accounted for by the provision of air navigation services and other technical services. The Authority will be financed partly by fees and charges for its services, many of which are already so financed, in whole or in part, and partly by the provision of services on contract to Government departments. Where and for so long as costs cannot be fully recovered in these ways, finance will be provided by means of grants from public funds, their size being determined in advance by the financial objectives which the Government will set the Authority for each of its main areas of activity.

118. The long term objective must be for the Authority to recover the full cost of its services in all cases in which that is appropriate. The pace towards full cost recovery of en route navigational services will depend on the outcome of international discussions and in this case it will be necessary for the Board of Trade to approve the proposed charges. Where possible, however, the Authority will be permitted to determine its own fees and charges, in the light of the financial objectives set for it by the Government and bearing in mind the discipline imposed by limited and pre-determined grants. Within these controls and the Government's prices and incomes policy the Authority will be able to enjoy the maximum degree of freedom in the way it discharges its responsibilities.

119. The Authority will be required to employ modern management techniques and, where appropriate, to produce accounts on a commercial basis. The accounts, after audit by the Comptroller and Auditor General, will be presented to Parliament with the Authority's Annual Report.

CONFIDENTIAL
The Authority as a constitutional innovation

120. The Government have been moved by the need to find the best solution to the problems of the civil aviation industry. They recognise that the establishment of a Civil Aviation Authority on the lines proposed involves a number of constitutional and administrative innovations. Within the terms of the declared policy, the Authority will have a substantial discretion and there will be effective limitations on the ability of the Board of Trade to intervene in the Authority's detailed decisions, whether on their own initiative or on the initiative of aggrieved parties.

121. The Authority will not, however, be a completely independent body. The essential feature of its status will be the separation between policy formation and the detailed application of policy. In the latter functions the Authority will have a wide discretion, but there will be ample provision to ensure that it does not exceed that discretion. The formation of the policy will remain the responsibility of Ministers before Parliament and that policy, and any changes in it, will have to be declared and approved. The Board of Trade will retain direct responsibility in matters that involve wider considerations than the Authority would be competent to decide - international matters, the control of aircraft noise, the siting of aerodromes, the making of subordinate legislation and the co-ordination of the military and civil interests in air traffic control. But in each of these reserved functions the Authority will have its contribution to make in partnership with the Board of Trade and other departments of Government.

122. The Authority will have to be in a position to justify its performance to the Board of Trade, Parliament and the public. It will have to show, in its annual reports and published results, that it is carrying out its responsibilities in pursuit of the objectives and in implementation of the policies laid down. It will be accountable against prescribed standards of financial performance and its actions will be subject to supervision by the Council on Tribunals. The ultimate criterion will be the extent to which the industry thrives and the public are served under the Authority's stewardship.
VI. SUMMARY: THE SHAPE OF THE FUTURE

123. The principal objective of civil aviation policy must be
to encourage the provision of air services by British carriers,
in satisfaction of all substantial categories of public demand,
at the lowest level of charges consistent with a high standard
of safety, an economic return on investment and the stability
and development of the industry. This objective must be set
in the context of the need to help strengthen the balance of
payments and contribute to the overall growth of the economy.

124. The Government will create the conditions necessary to
strengthen the structure of the industry. They will establish
an Airways Board controlling the public sector airlines, and
charged with the task of securing that the fleets and routes of
BOAC and BEA are planned and marketed to the best overall advantage.
This Board will have complete authority and responsibility and
will not, therefore, represent an additional layer of decision­
making.

125. There is a continuing and promising role for independent
airlines having the necessary financial strength and managerial
competence. The Government favour the licensing of a second
British carrier on scheduled service routes where certain criteria
are satisfied. The Government would also welcome the emergence
of a "second force" airline, formed by the amalgamation of two
or more existing independent carriers, but cannot accept that the
formation of such an airline should be made conditional upon the
transfer to it of a significant part of the Air Corporations' route networks.

126. The Government accept the need to strengthen the structure
and improve the viability of regional air services through the
formation of a regional airline or airline group.

127. The Government accept the need for more rational pricing
policies and for a more active role in relation to IATA. The
Government accept that it may be necessary to subsidise certain
air services that contribute to the economic and social develop­
ment of the regions. They will seek powers to grant subsidies
where these are shown to be justified in the light of detailed
economic studies.

128. The Government welcome the constructive approach of the
Edwards Committee to human relations questions and will provide
for the obligations now placed on the Air Corporations to be
extended to cover all airlines.

129. The Government will establish a Civil Aviation Authority
to regulate the whole economic, operational and technical
environment of the industry within the terms of a published
statement of objectives and policies. The Authority will implement
the more positive economic policies that are now to be followed and
will be responsible also for all aspects of air safety. On
these matters, it will deal on the same basis with all public and
private sector airlines. There will be a limited right of appeal
to the Board of Trade, on grounds that a decision cannot reasonably
be brought within the terms of the policy then in force.
130. The Board of Trade will be responsible for laying down the objectives and policies for the industry as a whole and for seeing that the Authority carries them out. The Board of Trade will continue to exercise its present functions in relation to the Airways Board and the British Airports Authority. It will continue to bear the main responsibility for negotiating international agreements affecting civil aviation, for the investigation of accidents and for the control of aircraft noise.

131. The Government are confident that these changes will enable the industry to meet the challenge of the future and to increase its contribution to an expanding economy.
NEW DEFENCE FORCE FOR NORTHERN IRELAND

Memorandum by the Secretary of State for Defence

I was invited by the Cabinet at their meeting on 7th October (CC(69) 46th Conclusions, Minute 4) to consider, in consultation with the Home Secretary, the necessary legislative provision in the United Kingdom Parliament for establishing the new defence force for Northern Ireland.

2. The Defence and Oversea Policy Committee considered this issue at their meeting on 31st October and endorsed the proposals set out in my paper at Annex A, subject to some amendments to the draft explanatory White Paper which will accompany the Bill. These amendments have been incorporated into the draft at Annex B.

3. In accordance with the wishes of the Defence and Oversea Policy Committee, I have sent the draft White Paper to the Northern Ireland Government for their comments. The draft at Annex B includes those amendments suggested by the Northern Ireland Government which we can accept without difficulty. These are set out for ease of reference in Annex C (to follow).

4. Two other amendments suggested by the Northern Ireland Government are in my view unacceptable:

(a) Paragraph 5, line 3. Delete the word "armed".

The point of keeping this word is that it distinguishes between defence against armed attack which will be the job of the Army and the new force, and defence against unarmed attack which will be the job of the Royal Ulster Constabulary.

(b) Paragraph 10, lines 3 and 4. Delete "without discrimination".

We need to emphasise that recruitment will be without discrimination if any Roman Catholics are to present themselves for recruitment to the new force.
5. Finally there are some suggestions by the Northern Ireland Government on which my colleagues will wish to reach a decision after discussion:

(a) Title.

The Northern Ireland Government would prefer "Ulster Defence Force". I would prefer on balance to stick to "Northern Ireland Defence Force".

(b) Employment of new force on crowd control or riot duties in cities (paragraph 5, last sentence).

The Northern Ireland Government do not wish to mention, and certainly emphasise, this point. I think we can go some way to meeting them presentationally, while preserving the important issue of substance, by substituting the following for the last two sentences:

"It is not the intention to employ it on crowd control or riot duties in cities, and in practice its tasks are most likely to be in rural areas".

(c) Size of the force (paragraph 6, last sentence).

The Northern Ireland Government would like this sentence to read:

"The actual size of the force will be determined in the light of experience, and will be in the region of 6,000 officers and men".

I think that we must establish a ceiling figure, and that we should leave ourselves the option of recruiting less than this figure.

(d) Liability for callout (paragraph 8).

We have agreed an extensive redraft of this paragraph on lines proposed by the Northern Ireland Government in order to make it more comprehensible to the ordinary man in the street:

"Members of the force will be liable to be called out for service only in Northern Ireland in any of the following circumstances:

(i) For the defence of life or property in Northern Ireland against armed attack or sabotage, whether actual or apprehended. This liability relates to what Lord Hunt's committee called 'the threat of armed guerilla-type attack' and will permit rapid reaction to meet any local emergency. For the purpose of this liability for service, the Secretary of State for Defence may authorise an officer of the regular forces not below the rank of Major to call out
the force or any part of it; and may empower such an officer in turn to authorise another officer of the regular forces to the same end. The Secretary of State may attach such conditions to the exercise of the power to call out as may seem expedient to him. As stated above in paragraph 7, the General Officer Commanding would in practice act in consultation with the Security Committee presided over by the Minister of Home Affairs.

(ii) In defence of the United Kingdom against actual or apprehended attack.

(iii) In circumstances of imminent national danger or great emergency".

I have not felt able to accept two further amendments to this paragraph suggested by the Northern Ireland Government:

(1) To circumscribe my power of callout by stating that it would in practice be exercised in consultation with the Security Committee.

(2) The insertion of "or sabotage" after "apprehended attack" in (ii) of the redrafted paragraph 8 above.

(e) Training (paragraph 15).

The Northern Ireland Government have suggested a redraft whose main objective was to delete the obligation upon members of the new force to undertake an annual training period in camp. If the new force is to be efficient, this period of consecutive training is vital and I do not think we can meet the Northern Ireland Government's wish. But we can meet them on a subsidiary, though substantial, point by substituting the following in place of the second sentence:

"Initially this will consist of 12 days (normally comprising one consecutive period of not more than a week, and some training weekends), and 12 two-hour training periods which would not be consecutive without the agreement of the man concerned."

6. I invited the Cabinet:

(a) To approve my proposals in Annex A.

(b) To agree that the proposals of the Northern Ireland Government set out in paragraph 4 above should be rejected.

(c) To agree to my proposals in paragraph 5 above for dealing with the outstanding issues of substance.

D. W. H.

Ministry of Defence, S.W.1.

4th November, 1969
The Cabinet decided on 7th October to set up in Northern Ireland a locally-recruited part-time military defence force under the control of the General Officer Commanding (GOC), Northern Ireland, to undertake the military tasks now performed by the Ulster Special Constabulary (USC). The Government of Northern Ireland agreed to the creation of this new force at a series of meetings with the Home Secretary on 9th and 10th October. I was invited, in consultation with the Home Secretary, to consider urgently what legislation would be necessary to bring the force into being. (CC(69)46th Meeting). This paper sets out my proposals.

2. I informed my colleagues that the new force would not be part of the existing Army Reserve and that it would not therefore be set up by amendments to existing Army Reserves legislation but would require the introduction of a separate comprehensive Bill. This will enable the legislation to fit the special characteristics of the new force, in particular the requirement for a call-out liability which meets the individual needs of Northern Ireland.

3. I envisage a short Bill (say, ten Clauses) which provides authority to establish the force, prescribes the framework of its conditions of service and of its discipline, and specifies the circumstances in which it may be called out for service. Details of the conditions of service will be set out in Regulations made under the Act.

4. This accords with the normal pattern of Reserve legislation and makes it possible to deal with a number of important matters such as the command, organisation and equipment of the force outside the Bill itself. But I propose, that in order to give a complete picture of the force and to avoid misunderstanding, the Bill should be supplemented by a short White Paper giving a factual account of the Government's proposals for the new force. A draft of this White Paper is at Annex B.

5. The Home Secretary and I feel that the new force should be established at the earliest possible moment. I therefore intend to open recruiting for the force on 1st January, 1970. This means that all stages of the legislation must be passed by the time Parliament rises for Christmas. I have consulted the Lord President; work on drafting the Bill is under way; and I hope to present the Bill to the Legislation Committee on 11th November.

Proposals for new Force

6. My proposals for the main features of the new force are set out in the draft White Paper. They are intended, as far as is possible, to reconcile two conflicting aims. The first is to create a force which will include a substantial number of Northern Irish Roman Catholics and members of other minority groups who were reluctant to join the USC. The second is to ensure that enough people join the force to enable it to begin a viable existence early next year. In practical terms this means that we must in the early months attract a sufficient number of present USC personnel and members of the Protestant community in general. Failure to create a sufficiently
large force might make it more difficult to disband the USC at an early date and could require us to maintain a larger permanent garrison than we can afford.

7. The force will be entirely military and therefore under the control of the GOC, Northern Ireland, who is responsible to me. The Northern Ireland Government have no constitutional relationship with the GOC in regard to the regular forces under his command, and there will be nothing in the Bill to establish any formal relationship between them over the new force. They will be able to exercise influence only through consultative processes.

8. The Commander of the force will be a Regular Army Brigadier and there will be a Regular Army Major and a small regular staff at each battalion headquarters (paragraph 7 of the White Paper). The presence of this regular element will be a stabilising influence on the locally recruited members, and will, through the military training described in paragraph 15, help in shaping a disciplined and efficient force.

9. Decisions to call out the force in whole or in part (or to stand it down) will be under the control of the GOC acting on my behalf. The Bill will specifically provide me with authority to designate officers empowered to call out the force, (who will be officers of the regular forces not below the rank of major) (paragraph 8) and to prescribe conditions for the exercise of this power. The concurrent authority of the civil power will not be required. Call-out orders by the proper military authority will be enforceable under the provisions of the Bill.

10. To ensure that membership of the new force will be, and will be seen to be, open to all sections of the community, and to eliminate local and sectarian bias, all applications to enlist will be considered and decided centrally at Headquarters, Northern Ireland. The central board will naturally give due weight to the recommendation of the local force commander but will not regard it as conclusive for either acceptance or rejection (paragraph 10).

11. The proposals in paragraphs 7 to 10 of the White Paper taken together constitute a radical change from the present arrangements and should ensure that the new force will not simply be the USC under a different guise.

12. In exceptional circumstances it may be necessary to authorise some members of the force to keep arms and ammunition in their homes. On these occasions they will be subject to military law at all times, a measure unprecedented for a part-time force in peace (paragraph 14).

13. The actual size of the force will be determined in the light of experience but will not exceed 6,000 officers and men. This number is derived from calculations of the numbers of guards and patrols required for specific key points, installations and routes, the wide area requiring protection, and the need for relief for members of the force when on operational duty. It represents the maximum requirement which might arise during the next few years. In practice the force will be substantially smaller in the immediate future. The Home Secretary has reservations about a ceiling establishment higher than 4,000.
It is essential quickly to achieve a satisfactory strength if it is to be politically possible for the Northern Ireland Government to disband the USC. This can only be achieved by transfers from the USC. The appointment of influential County Commandants of the USC as battalion commanders of the new force (paragraph 7) will encourage such transfers. To the same end, the proposed emoluments (paragraph 16) are as generous as possible consistent with those of the nearest comparable reserve force, the T & AVR.

I envisage that recruitment to the new force will begin on 1st January, 1970 and that by 1st April, 1970 it should be possible for it to take over the present operational tasks of the USC (paragraph 16). During this overlap period operational tasks will continue to be the responsibility of the USC. Successful recruitment in part depends on the certainty that the USC will be disbanded. The Northern Ireland Government should be encouraged to co-operate with the GOC in working out transitional arrangements as a matter of urgency and to agree to a firm disbandment date for the USC. I believe that this date should be about the 1st June, 1970.

Cost of the new Force

On the basis of a strength of 6,000 the cost of the new force in a normal year with no periods of callout is estimated at about £100,000 a year. Initial capital expenditure will be about £0.3 on uniforms and equipment. I would expect that no capital costs would be incurred in respect of any existing accommodation taken over from the USC or otherwise owned by the Government of Northern Ireland; but there would be some initial capital expenditure in the likely event of a requirement for new building.

If the costs are to lie against Defence votes, this will be a new commitment and I will be bound to seek an equivalent increase in the Defence Budget.

Timing

I hope that the draft Bill will go to the Legislation Committee on 11th November and be published on the 12th, so that the second reading in the Commons can take place in the week beginning 17th November. It will be convenient if the White Paper is published on 12th November to accompany the Bill.

Conclusions

I seek the Committee's agreement to my proposals:

a. for the policy for the new force as set out in the draft White Paper at Annex B;

b. for annual reimbursement of the cost to the Defence Budget as set out in paragraph 17;

c. for legislation as indicated in paragraphs 2-5;

d. for the draft White Paper at Annex B.

MINISTRY OF DEFENCE, S.W.1.

FORMATION OF THE NORTHERN IRELAND DEFENCE FORCE

Introduction

On the 13th October the Government announced in Parliament its intention to introduce a Bill which would create in Northern Ireland a locally recruited, part-time, military defence force. The creation of such a force was recommended by Lord Hunt's Advisory Committee on police in Northern Ireland. The Government of Northern Ireland had already announced its agreement with Lord Hunt's proposal.

2. Lord Hunt's Committee based its main recommendation on the principle that police and military roles should be separate in Northern Ireland, as they are in the rest of the United Kingdom. Military tasks, the report recommended, should exclusively be undertaken by military forces. In consequence, the Committee proposed that the Royal Ulster Constabulary should be withdrawn from all military duties and that the Ulster Special Constabulary should be replaced by two separate forces. One would be a volunteer police reserve to support the RUC, in the performance of normal police duties. The other would be a locally recruited part-time force, under the control of the General Officer Commanding, Northern Ireland, to support the regular military forces on purely military duties.

3. This White Paper sets out the Government's proposals for this new part-time military force. The Government of Northern Ireland have been fully consulted.

Title

4. The title of the new force will be The Northern Ireland Defence Force.

Task

5. The task of the new force will be to support the regular forces in Northern Ireland should circumstances so require in protecting the border and the State against armed attack and sabotage. It will fulfil its role by undertaking guard duties at key points and

/installations,
installations, by carrying out patrols and by establishing check points and road blocks when required to do so. In practice, such tasks are most likely to prove necessary in rural areas. It is not the intention to employ the new force upon crowd control or riot duties in cities.

**Organisation**

6. The new force will be part of Her Majesty's military forces. It will consist of lightly armed companies. These will be grouped according to local operational requirements into units of different sizes to be known as battalions. Battalion areas will approximate to County boundaries. The actual size of the force will be determined in the light of experience as the build-up proceeds, but in any case will not ultimately exceed 6,000 officers and men.

7. The new force will be under command of the General Officer Commanding, Northern Ireland. While remaining responsible to Her Majesty's Government in the United Kingdom, the General Officer Commanding will work in the closest consultation with the Government of Northern Ireland through a Security Committee presided over by the Minister of Home Affairs. Its immediate commander will be a Regular Army Brigadier. The battalion commanders will be local members of the force; during its early life these appointments may be filled by present County Commandants of the Ulster Special Constabulary, all of whom are ex-officers of the regular forces and who have had much experience in dealing with the tasks for which the new force is designed. Each battalion commander will be assisted by a Regular Army Major responsible for training and administration. A small regular staff will support the training major, and administrative personnel will be recruited locally.

**Call-out**

8. The Bill will provide for members of the new force to have the following liabilities for service:-
a. The Secretary of State for Defence may designate an officer of the Regular Forces to call out the force or any part of it; and may authorise such an officer in turn to designate another officer of the Regular Forces to the same end. An officer so designated shall not be below the rank of major; and the Secretary of State, or other officer making the designation, may attach such conditions to the exercise of the power to call out, as may seem expedient to him.

Any Officer so designated may call out the force, or such part of it as may be specified in the terms of his designation, whenever it appears to him necessary or expedient to do so for the defence of life or property in Northern Ireland against armed attack or sabotage, whether actual or apprehended.

This liability relates to what Lord Hunt's Committee called "the threat of armed guerilla-type attack" and will permit rapid reaction to meet any local emergency.

b. Members of the force will be liable to be called out for service, only in Northern Ireland:

(i) in circumstances of imminent national danger or great emergency;

(ii) in defence of the UK against actual or apprehended attack.

Members of the force who are called out will be given the same protection - including protection against loss of employment - as members of the reserve forces.

Terms of Service

Lord Hunt's Committee recommended that this new force should provide full opportunity for all citizens of Northern Ireland to serve the community as a whole. To this end, enlistment will be open without discrimination to all male citizens of the United Kingdom normally resident in Northern Ireland. All applications will be considered centrally.
Iitrally and in consequence Headquarters, Northern Ireland will be the final recruiting authority. Acceptance of recruits will be subject to strict security vetting; and like all entrants to the forces, recruits will be required to take the oath of allegiance to Her Majesty the Queen.

4. The engagement will be for three years and will be renewable subject to recommendation.

5. The lower and upper age limits for service will be 18 to 55, but as a transitional measure persons with previous military or similar suitable service may be recruited or allowed to serve beyond age 55.

Discipline

6. Members of the force will be subject to military law in the same way as members of the T & AVR. Officers will be subject to military law at all times, others when called out for service or when on training.

7. In order that the force can react effectively to "guerilla-type attacks" it may be necessary to authorise some members of the force in certain circumstances to draw arms and ammunition and keep them at home. When this happens such members will be subject to military law while arms and ammunition are in their charge.

Training Obligation

8. In order to achieve the standard of efficiency and discipline necessary in a fully effective defence force, annual training will be obligatory. Initially this will consist of 12 days and 12 two-hour training periods. When members of the force have been called out for duty in an emergency, the training obligation may be reduced. In addition, there will be a number of optional training periods, on the basis of 15 two-hour periods a year for each member; these periods can be pooled at the discretion of battalion commanders.

Emoluments

9. Members of the new force will receive Regular Army emoluments for all days' training or duty. Training Expenses Allowance and travelling expenses will be payable at the rates applicable to the T & AVR.
A non-taxable annual bounty will be payable to all members of the force who give satisfactory service and complete the annual training obligation, at the following rates:

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<th>Year</th>
<th>Rate</th>
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<tr>
<td>1st/2nd Year</td>
<td>£25</td>
</tr>
<tr>
<td>3rd/4th Year</td>
<td>£30</td>
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<tr>
<td>5th and subsequent years</td>
<td>£35</td>
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In the calculation of emoluments, service with the Ulster Special Constabulary will be reckonable as service with the new force.

Equipment

7. The basic weapon of the force will be the rifle. Equipment will include troop-carrying and small four-wheel drive vehicles for the mobile element, together with means of radio communications. Uniform will be combat dress with a parade dress for formal wear, although there may be some delay in providing the latter.

Timing of Formation

18. The force will start to form on 1st January, 1970, and will, it is planned, be operationally effective by 1st April, 1970.
ANNEX C

AMENDMENTS TO THE DRAFT WHITE PAPER SUGGESTED BY THE NORTHERN IRELAND GOVERNMENT AND ACCEPTED

Paragraph 2, line 9
Insert
"in the performance of normal police duties"

after
"the RUC"

Paragraph 2, last line
Add
"on purely military duties"

Paragraph 7, last sentence

The substitution of
".... and administrative personnel will be recruited locally."

for
".... and companies will recruit administrative personnel locally."

This leaves open the question of the designation of the sub-unit of the new force.

Paragraph 10, line 4
Insert
"of good character"

after
"United Kingdom"

Paragraph 10, last sentence

The substitution of
"acceptance of recruits will be subject to strict security vetting; and, like all entrants to the armed forces they ...." for
"acceptance of recruits will be subject to normal security procedures applicable to the armed forces as a whole. Like all entrants to the Forces, recruits ...."
Paragraph 12, last line

The insertion of "recruited or" before "allowed". This has the advantage of emphasising the fact that members of the USC will have to join the new force, and not merely transfer to it.

Paragraph 14, third line

The substitution of "certain" for "exceptional". This is not a point of substance for us.
4th November, 1969

CABINET

"PEOPLE IN PRISON": WHITE PAPER ON THE WORK OF THE PRISON SERVICE IN ENGLAND AND WALES

Note by the Secretary of State for the Home Department

I attach for the information of my colleagues a proof copy of a White Paper dealing with the work of the prison service in England and Wales.

The Home Affairs Committee approved this White Paper at their meeting on 31st October and it is proposed to publish it on 19th November.

L. J. C.

Home Office, S. W. 1.

4th November, 1969
# PEOPLE IN PRISON
(England and Wales)

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APPENDIX—The People in Custody

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INTRODUCTION

SCOPE AND PURPOSE

1. The purpose of the White Paper is to increase public understanding and knowledge of the prison service of England and Wales. It is clearly right that both Parliament and the public should be fully informed about the aims, achievements and problems of any public service and be in a position to form their own judgment of what is being done in their name. To this end, the Government is providing this portrait of our prisons in a form which, though it cannot claim to give the full picture, is more authoritative than a descriptive pamphlet and more wide-ranging than an annual report.

2. It records many substantial changes in our prisons in the post war years, and comes at a time when the Government is embarked on an expanding programme of expenditure and has undertaken a complete overhaul of the structure of the Prison Department. Recent developments in the modernisation, rationalisation and expansion of prison industries, the improved relationship between prisoners and staff, and other developments here described have brought the prison service to a position from which it can hopefully look forward to a period of innovation and constructive advance. Accordingly, in the pages which follow, the aim will be not only to take stock of what has been achieved but also to try to point the way ahead.

THE PLAN OF THE WHITE PAPER

3. This White Paper cannot give a full description of the work of the prison service in all its aspects; it aims merely to present a balanced and not uncritical picture. Part II outlines the tasks of the service and briefly summarises the background to its work. Part III examines in more detail what is involved in the treatment of offenders in custody, and includes a condensed report of what has been done in the last few years to improve the quality of medical and psychiatric treatment, remedial and higher education, vocational training and group counselling in prisons and borstals, together with present achievements and future plans for prison industries. Some of the most important of the recent developments concern a new emphasis on the help and supervision available to offenders after release. Part IV of the Paper therefore describes the links between the offender and the community, outlines the work of the probation and after-care service in helping offenders and their families during and after a period in
custody, and summarises the promising results from the first year of the new parole scheme, introduced by the Criminal Justice Act 1967. Part V includes information about the records of different groups of offenders after release and discusses the present and future contribution of research to our knowledge of the effectiveness of the work of the prison service.

4. Part VI describes the strategy of the prison system: it describes, that is to say, the different types of institutions dealing with different groups of offenders and summarises the Government’s plans for each group. It refers to the changes being made in the branch of the system that deals with women and girls; and it explains why the Government is initiating a full inquiry into the form of custody now appropriate for young offenders under 21. It describes the role of the local prison and the very difficult problem of the containment of maximum security prisoners. The strategy of the prison system is shaped by its buildings, many of which are grossly overcrowded, and most of which are obsolescent. Part VI sets out the Government’s plans for an expanding building programme and for giving a fresh impetus to the modernisation and redevelopment of outdated and unsuitable buildings.

5. There are 15,000 men and women in the prison service. Part VII of the White Paper gives as comprehensive an account as is possible within a brief compass of the different groups of staff working together in the service, and emphasises in particular the changing role of the prison officer. It also describes the current re-organisation of the central and regional administration of the Prison Department.

6. Finally, Part VIII aims to bring all the threads together. It indicates what the Government considers to have been the most significant of the recent developments in the work of the service, what are the major problems now facing it and what are the Government’s plans for the development of the service in the next few years.
GLOSSARY

Those not familiar with the details of our prison system may find it useful to have the following brief explanations of terms used in the White Paper. They are not intended as comprehensive legal definitions: those who need such definitions will normally have access to books in which they may be found.

Adult Offender
A person over the age of 21 when convicted.

After-Care
The support and supervision given to an offender after release from custody. All young offenders and some adult offenders (see paragraph 104) are subject to compulsory after-care. This is after-care given to an offender by a probation officer during the period after release when he is liable to be recalled to custody if in breach of the conditions on which he was released. Voluntary after-care is the support available to other offenders after release if they choose to accept it.

Borstal Training
A court may sentence a young offender to borstal training if he is convicted of an offence for which an adult offender may be sent to prison and if the court considers that he should receive training for at least six months. The period in custody depends on the response to training but cannot exceed two years.

Closed
A closed borstal or closed prison is one surrounded by a wall and/or fence as a barrier to escape.

Detention Centre
An institution to which young offenders may be sent after conviction of an offence for which an adult may be sent to prison. The sentence is normally three months but can go up to six months. (See paragraphs 149–150).

Halfway House
Another term for an after-care hostel (see below).

Hostel
The term is used in different contexts in the White Paper.

The Hostel Scheme is a term often used to describe the arrangements outlined in paragraph 98 under which certain adult offenders may live in part of a prison set aside as a hostel but go out to work for an outside employer during the last six months of a sentence.

After-Care Hostels (see paragraph 111) are those provided by voluntary organisations for homeless offenders who require some degree of social support, often immediately after release from custody.
Indictable Offences  
These include all serious criminal offences against the person or property. An indictable offence is one for which the accused may be (and has a right to be) committed to a higher court (assize or quarter sessions) for trial before a jury. Some of the most serious indictable offences must be tried at a higher court. The great majority of indictable offences can be, and are, dealt with in magistrates' courts.

Inmate  
Any person of any age held in custody in an institution for which the Prison Department is responsible, whether in a prison, borstal, remand centre or detention centre.

Parole Scheme  
A term used to describe the arrangements outlined in paragraph 114 under which the Parole Board may recommend to the Home Secretary the release of a prisoner after he has served part of his sentence. A prisoner released in this way is subject to compulsory after-care while on licence.

Open  
An open borstal or open prison is one with no physical barrier designed to prevent absconding.

Prisons  
Descriptions of the role of various types of prisons are given in Part VI of the White Paper.

A Local Prison is one to which adults and some people under 21 are sent direct from the courts either when remanded in custody before trial, or after conviction or sentence. All local prisons are closed and the great majority of prisoners in them sleep in cells.

A Training Prison is one to which sentenced prisoners are transferred after initial assessment in a local prison. Such a prison may be either open or closed.

Prisoner  
The term normally used for adults in custody. A young prisoner is a person under 21 who serves a sentence in a prison and not in a borstal or detention centre.

Remand Centre  
A special institution (see paragraph 147) designed to hold people, especially those under 21, awaiting trial or in the period immediately after conviction or sentence.

Visiting Committee and Board of Visitors  
A Visiting Committee is a body of magistrates appointed for each local prison (and remand centre) by courts which commit people to that prison. A Board of Visitors is a body of men and women, some of whom must be magistrates,
appointed by the Home Secretary at each training prison, borstal or detention centre. These Committees or Boards have a general responsibility to satisfy themselves about the state of the buildings, the administration of the establishment and the treatment of inmates. They report annually to the Home Secretary. They have certain disciplinary powers in relation to serious breaches of discipline, hear applications or complaints from offenders and provide a valuable contact between the local community and the institution.

Visitors

*Prison visitors* are private citizens appointed to a prison by the Home Office on the recommendation of the governor to visit and befriend prisoners. (See paragraph 94).

Young Offender

An offender under 21 at the time of conviction. Most of the young offenders with whom the prison service has to deal are 17 or over and this White Paper does not deal with the general treatment of those under 17. But some young people aged 15 or 16 may be sent to remand centres or sentenced to borstal training, and there are junior detention centres (see footnote to paragraph 149) for offenders aged 14–17.
II

THE TASK OF THE PRISON SERVICE

AIMS AND PURPOSES

PRISONS AND THE PENAL SYSTEM

7. We start from the point at which people enter prison, omitting such earlier stages as the detection of crime and the place of the courts or the criminal law in our society. We shall consider what happens to the fifteen hundred or more people committed to custody every week, and the staffing and organisation of the prisons, borstals, detention and remand centres in England and Wales to which they are sent. Every week another fifteen hundred people are released from custody. Society expects these to knit together once more the scattered strands of their life in the community. The White Paper therefore deals with parole and after-care, which are now regarded as an integral part of the whole penal system.

8. Despite this concentration on the penal system and what happens to those offenders who are convicted and committed to custody, it is important to emphasize that the prison system is only part of a whole process of social rehabilitation. Its work has to be seen as contributing to one overriding purpose; and that purpose is the protection of society.

9. The part played by the prison service in the treatment of offenders must follow the part played by the courts. It is true that members of the service make reports to the courts, and that these may properly influence what happens to an offender, but no member of the service has any authority to decide whether a citizen should or should not be sentenced to imprisonment. Nor, with some exceptions in the case of detention centres, has the service any control over the total number of people committed to its custody. The service cannot put up a "house full" notice, tempted though some governors of local prisons may have been to do so in recent years.

PRISONS AND SOCIETY

10. Penal institutions, on the other hand, do not exist in isolation. They form part of our society. So do all members of the prison service and all people in custody. A great deal follows from these principles. Everyone in custody expects to return sooner or later to the community, the average stay in custody after conviction being less than twelve months. It follows that what happens to people in custody must always be planned with conditions after release in mind. It also follows that the probation and after-care service, which helps in a person's preparation for release and provides continued support and guidance when he returns to society, sometimes for years, sometimes for life, should be closely
associated with such plans. It is because of the close and growing association of the two services that the part played by the probation and after-care service will be a constantly recurring theme in this Paper.

11. Members of the prison service expect and must be given working conditions in prison which compare with those to be obtained in other occupations in society: conditions that were normal and acceptable fifty years ago will not be acceptable now. The same is true of the living and working conditions of prisoners. Standards thought adequate fifty years ago would be thought indefensible today—and not only material standards. Men and women do not cease to be human beings when they are convicted or when they are sent to prison. The moral standards by which society lives apply to the treatment of offenders in custody. The prison service is a part of the community, and must reflect the community’s own moral concepts. It should therefore receive its due share of the resources of the community in carrying out its work.

THE AIMS OF THE SERVICE

12. The prison service cannot make the best use of the resources available to it unless it is clear about its aims. The service is both large and complex, employing 15,000 men and women in 111 different establishments, and responsible for 35,000 people in custody. Few large organisations have only one aim, and it often obscures the real situation to try to bring all the activities of any one of them within one simple formula or slogan. Some of the confusion felt about the aims of the prison service arises from attempts to do so.

13. Those aims can best be summarised as follows. First, it is the task of the service, under the law, to hold those committed to custody and to provide conditions for their detention which are currently acceptable to society. Second, in dealing with convicted offenders, there is an obligation on the service to do all that may be possible within the currency of the sentence “to encourage and assist them to lead a good and useful life”.*

14. One possible source of confusion should be cleared up. The general aims defined in the previous paragraph govern the treatment of all convicted offenders and do not vary according to the reasons for which the courts send any one person to custody. A court may properly pass a custodial sentence on one offender to act as a general deterrent to the commission of crime, and on another because the court believes he is in need of training that can be given to him in custody. The duty of the prison service in respect of each of them remains unaffected.

LIVING CONDITIONS

15. The first task of the service, “humane containment”, may appear a prosaic and limited one. With the large and constantly changing population of our overcrowded Victorian prisons it is not an easy one. This said, it must be admitted that in some respects the conditions of a prisoner’s daily life fall short of what

*See Rule 1 of the Prison Rules 1964.
society would currently approve. Later Parts of this White Paper describe some of the measures being taken to raise standards to a more acceptable level. There are critics of present policies who argue that the provision of better living conditions for prisoners is wrong. They feel that imprisonment should deliberately be made a harsh and disagreeable experience, and that such harshness is a necessary deterrent to the commission of crime by others or of further crime by the man being punished. This criticism is mistaken. Imprisonment is by its nature unpleasant. One of John Heywood's "Proverbs" runs: "No man loveth his fetters, be they made of gold". The deterrent effect of imprisonment lies in the loss of liberty it involves, and in the restrictions inherent in any prison regime. There is no reason to suppose that it would be made more effective by reverting to such barbarities as the treadmill. On the contrary, measures designed to preserve and enhance a man's dignity and self-respect are most likely to assist in his rehabilitation.

SECURITY

16. Another very different criticism of present policies is also heard. It is that emphasis on security—on the prevention of crime during sentence by preventing escapes from custody—must hamper the longer term prevention of crime by making more difficult the task of rehabilitation. Security is, of course, one of the important factors to be weighed in making some decisions about an offender—in deciding, for example, if he should be sent to an open prison or borstal. If an institution holds offenders who need to be contained within secure conditions there are inevitable restrictions that have to be placed on the activities that can take place inside it. But the simple antithesis of security versus rehabilitation is false. One does not vary in inverse proportion to the other. In every modern penal system yet conceived some offenders must be kept in secure conditions. There is no reason in logic or experience to suggest that a "secure" institution from which an escape can in fact be made is better, whether in terms of its daily regime or in terms of the training of the offender, than an institution from which no one escapes. Indeed, there is some reason, including the experience of other countries, to suggest that an institution in which the staff have full confidence in the security arrangements can develop a more relaxed atmosphere and can therefore provide a better regime than one in which the staff are continually worried about possible escapes.

17. For many years before 1966 insufficient resources had been devoted to the maintenance of the security of our closed prisons, and in the last three years it has channelled time and money away from other matters. Security had to take precedence, and the number of escapes from closed prisons was reduced to about a quarter of what it was in the years before 1966. Many of the deficiencies set out in Lord Mountbatten's Report on prison security have now been remedied. The Government believe that the further development of the security measures described in Part VI of this Paper, together with the better classification of offenders according to the degree of security they need, will enable the purely custodial aspect of the prevention of crime to be seen in its proper relationship as one element, but only one, in the tasks of the prison service.

18. The "humane containment" of offenders cannot be the sole task of the prison service. If, as the late Sir Alexander Paterson put it, prison is seen only as a cloakroom in which the enemy of society is duly deposited till called for after a fixed period, the protection afforded to society is temporary and the offender may return to the community more embittered and anti-social than before. It has been the aim of the service, since the turn of the century, to attempt the more constructive and more difficult task of releasing offenders who, in the well known words of the Gladstone Committee*, might be "better men and women, physically and morally, than when they came in". A variety of terms, reflecting the complexity and uncertainty of the task, have been used to describe this attempt: reformation, re-education, treatment, training, rehabilitation. Later Parts of this White Paper describe some of the ways in which it is now being tackled, showing how the treatment of an offender in custody must be viewed as a whole, and how all aspects of the work of the prison service must contribute to a common aim.

19. Nor can the prison service tackle the task of rehabilitation unaided. It needs the help of members of the community who can assist the offender both while he is in custody and after release; and this must involve a wide range of voluntary and statutory services. It needs, for example, the help of various local authority departments, of the Department of Health and Social Security and of the Department of Employment and Productivity. Above all it needs to work in close partnership with the probation and after-care service. Later Parts of this White Paper indicate how that partnership has begun to develop in the last few years, through the appointment of members of the probation and after-care service to serve as prison welfare officers, through the better exchange of ideas and information, and through the release of a greater number of offenders into the community for supervision by members of that service.

*Report from the Departmental Committee on Prisons, 1895.
20. The work of the prison service has greatly increased in both size and complexity in the last twenty-five years; and the recorded rise in crime has provided a sombre background throughout. There is no one measure that can be taken of the rise in crime but the following diagram shows, as one example of it, the increase in the number of people found guilty of indictable offences.

![Diagram showing persons found guilty of indictable offences 1938-1968](image)

The figures it shows should be compared (and never confused) with the much larger figure of indictable offences known to the police to have been committed. In 1968 that figure was 1,289,090*.

21. Most offenders are not sent to custody by the courts after conviction. Nearly half the 195,000 offenders of 17 or over convicted of indictable offences in 1968 were fined. Less than one in five received a custodial sentence although another 12 per cent. received suspended sentences of imprisonment. The following diagram gives the detailed figures and shows the effect of the Criminal Justice Act 1967 in reducing the proportion of offenders sent to prison, especially for short periods. (There are further details in the note on page [250].)

*This figure, like all others quoted in the White Paper, refers to England and Wales only. It excludes Scotland and Northern Ireland.
Persons aged 17 and over sentenced by magistrates' courts for indictable offences or sentenced by higher courts showing the type of sentence or order of the court

1968

1.7% Otherwise dealt with (2360)
Imprisonment (26,936)
Fine (72,993)

0.9% Absolute discharge (1280)
Conditional discharge (13,490)
Probation (19,390)
Detention centre (3320)
Borstal training (3275)
Attendance centre (53)

1964

1.6% Otherwise dealt with (2860)
Imprisonment (29,433)
Fine (98,295)

0.7% Absolute discharge (1330)
Conditional discharge (16,774)
Probation (24,063)
Detention centre (4485)
Borstal training (4775)
Attendance centre (60)

1967

1.4% Otherwise dealt with (2732)
Suspended sentence (24,178)
Imprisonment (24,039)
Fine (92,321)

0.8% Absolute discharge (1530)
Conditional discharge (19,032)
Probation (21,611)
Detention centre (4702)
Borstal training (4606)
Attendance centre (90)

1968
22. Nevertheless for every one offender in custody before the war there are now three. For every two offenders in custody in 1950 there are now three. The following diagram shows how great the increase has been.

Note: Up to and including 1949 the graph of receptions relates to all receptions on conviction. From 1950 onwards it relates to all receptions under sentence, including court martial prisoners.
1. A prison officer talking with inmates at Leyhill open prison, Gloucestershire. Officers are encouraged to make informal contacts with prisoners in their charge.

2. Group counselling at Swansea prison. It is hoped that research may in time show what types of offenders are receptive to this form of treatment. It is already clear, however, that staff involvement with prisoners has brought about a lessening of tension and a reduction of violent outbursts by prisoners.
3. A prison sister encourages a mentally disturbed inmate of Askham Grange open prison to take an interest in her surroundings. More than half of all women in custody receive some form of psychiatric treatment during their sentence. The majority of all the full time medical officers in prisons and borstals have had psychiatric experience outside the prison medical service and there are 40 visiting psychotherapists.

4. Week day visiting at Blundeston—a modern prison in Suffolk. At week end the demand on accommodation is very much greater. In local prisons, priority has to be given to visits to those who are on remand or have appealed and other prisoners may have to be limited to a visit lasting half an hour every four weeks. At other establishments, longer visits are possible.
5. Prisoners in the workshop of the special security wing of Durham prison.

6. A prison officer watching the perimeter from the security control centre at Garthree prison, Leicester. Following the implementation of most of the recommendations of the Mountbatten Report, the number of escapes from closed prisons and remand centres has been reduced to a quarter of what it was. The aim has been to concentrate on perimeter security so that there should be as few restrictions as possible on the activities of prisoners.
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7. Spot welder in the metal shelving workshop at Coldingley prison. The regime of this prison, which was opened in October 1969, is geared to industry and prisoners work in light engineering or in the laundry, with equipment and conditions comparable with those found in efficient organisations outside the prison system.

8. Sewing mailbags by hand in Wandsworth prison. There are some old and overcrowded workshops known as “occupational” shops where both the number and the quality of the labour force means that employment is little more than a way of spending part of the day. However, the organisation of prison workshops is being improved wherever possible.
The diagram shows both "receptions" and "population". The line for "receptions" shows the total number of people committed to custody after sentence during the year. The line for "population" shows the total number of people in custody at any one time (the figure used being the average for the year). This average population obviously varies not only with the number of "receptions" but also with the average length of sentence, or period in custody on remand. The relationship between these factors is discussed in the note on page 52. It shows that the increases which have taken place in the average length of prison sentence are largely accounted for by the fact that a smaller number of people are now sent to prison for very short periods.

**THE SIZE OF THE SERVICE**

23. There are now about 35,000 people in custody compared with about 20,000 in 1950. About 9,000 of them are sleeping two or three in a cell compared with 2,000 in 1950. During the same period the total number of staff employed in the prison service has increased from 5,500 to 15,000 and the total annual expenditure, capital as well as current, from under £6 million to about £50 million a year. The Prison Department is now responsible for 111 institutions compared with 57 in 1950.

**THE COMPLEXITY OF THE TASK**

24. The work of the prison service is inherently complex because a prison must be, in most respects, a micro-copy of the world outside. People live, eat, work and sleep in prison. There must be hospitals, chapels, classrooms and workshops within the perimeter of the prison, as within the confines of other "total" institutions. There is the further responsibility for security. "Rehabilitation" itself is complex. There is no such person as the average offender. How should there be when all human beings are different? All generalisations about the characteristics of people in custody are therefore suspect. (There are exceptions even to the generalisation that people in custody are there unwillingly). The prison service has to deal with offenders, some of whom are dangerous and many of whom are afflicted by emotional and personality disturbance and social inadequacies. It is also true that the prison service has to cope with many with whom other social agencies have in some way failed.

25. These inherent complexities are not new, although we are becoming increasingly conscious of the task of rehabilitation in relation to them. There is now a wide variety of penal institutions: remand centres, detention centres, borstals and prisons for those under 21 and both open and closed prisons for those over 21. Increasingly, moreover, the service aims to provide a range of regimes even within one type of institution and has to assess the suitability of offenders for transfer from one to another. Obviously it is simpler to organise a prison in which the inmates are held in solitary confinement than one in which they can associate with each other. It is also easier in such a prison to provide security against escapes. It is simpler to organise and control the hand-sewing of mailbags than the modern types of industrial work now being introduced. As the diversity of skills and experience to be found among the staff of a prison becomes greater and more staff of all grades are involved in the treatment of offenders, so it becomes more difficult to ensure that their work serves a set of consistent aims.
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NOTE TO PART II
CHANGES IN PRISON POPULATION
AND LENGTH OF SENTENCE

i. The number of offenders in custody at any one time depends on several factors: the number convicted by the courts, the number committed to custody and the length of sentence imposed. The work of the prison service is therefore crucially affected not only by the total rise in the number of offenders but by changes in the sentencing practice of the courts. This note analyses the effect of some of those changes in the last few years. Also, because the information is not widely known or readily available, the note makes some comparisons between the post war position and that in 1913 and 1938.

ii. Table 1 shows how many people were committed to custody in selected years from 1913 onwards. Table 2 shows how many people, on an average day, were in custody in the same years.

### TABLE 1

<table>
<thead>
<tr>
<th>Year</th>
<th>Remands etc.*</th>
<th>Detention Centre</th>
<th>Borstal</th>
<th>Sentenced to imprisonment†</th>
<th>Civil prisoners and others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913</td>
<td>15,402</td>
<td>—</td>
<td>487</td>
<td>138,570</td>
<td>14,987</td>
<td>169,446</td>
</tr>
<tr>
<td>1938</td>
<td>9,506</td>
<td>2,311</td>
<td>1,347</td>
<td>30,772</td>
<td>8,246</td>
<td>49,871</td>
</tr>
<tr>
<td>1948</td>
<td>11,667</td>
<td>5,890</td>
<td>2,115</td>
<td>35,277</td>
<td>5,372</td>
<td>54,431</td>
</tr>
<tr>
<td>1958</td>
<td>18,059</td>
<td>3,162</td>
<td>3,715</td>
<td>40,581</td>
<td>9,377</td>
<td>66,139</td>
</tr>
<tr>
<td>1961</td>
<td>18,682</td>
<td>3,863</td>
<td>5,160</td>
<td>44,013</td>
<td>9,676</td>
<td>74,965</td>
</tr>
<tr>
<td>1964</td>
<td>22,591</td>
<td>5,160</td>
<td>5,153</td>
<td>48,333</td>
<td>9,633</td>
<td>98,118</td>
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<tr>
<td>1967</td>
<td>29,394</td>
<td>48,333</td>
<td>7,505</td>
<td>36,069</td>
<td>8,011</td>
<td>87,266</td>
</tr>
<tr>
<td>1968</td>
<td>30,864</td>
<td>—</td>
<td>—</td>
<td>30,864</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

*Persons remanded or committed in custody who did not return to custody on sentence.
†Imprisonment includes court martial sentences, life sentences and death sentences commuted to life imprisonment. This section also includes those committed to prison in default of payment of fines. (The big drop between 1913 and 1938 reflects, in particular, the fall in the number of short sentences. See para. iii.)

### TABLE 2

<table>
<thead>
<tr>
<th>Year</th>
<th>Prisons</th>
<th>Borstals</th>
<th>Detention Centres</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913</td>
<td>17,227</td>
<td>928</td>
<td>—</td>
<td>18,155</td>
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<tr>
<td>1938</td>
<td>8,926</td>
<td>2,160</td>
<td>—</td>
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<td>1948</td>
<td>16,659</td>
<td>3,106</td>
<td>—</td>
<td>19,765</td>
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<td>1958</td>
<td>21,209</td>
<td>3,899</td>
<td>271</td>
<td>25,379</td>
</tr>
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<td>1961</td>
<td>23,948</td>
<td>4,615</td>
<td>462</td>
<td>29,025</td>
</tr>
<tr>
<td>1964</td>
<td>23,701</td>
<td>4,604</td>
<td>1,295</td>
<td>28,800</td>
</tr>
<tr>
<td>1967</td>
<td>27,652</td>
<td>5,749</td>
<td>1,608</td>
<td>35,009</td>
</tr>
<tr>
<td>1968</td>
<td>25,320</td>
<td>5,563</td>
<td>1,578</td>
<td>32,461</td>
</tr>
</tbody>
</table>

### Short Sentences

iii. Fewer people now go to prison for a short period. Table 3 shows how, by comparison with 1938, and even more strikingly with 1913, the courts are now dealing in other ways—for example by probation and by allowing offenders reasonable time to pay fines—with those who formerly spent a few days or weeks in prison. A fall in the number of offenders received into prison on short...
sentences in 1968 reflects the use of suspended sentences and the other provisions of the Criminal Justice Act 1967 referred to in paragraph viii below.

**TABLE 3**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 2 weeks</td>
<td>80,961</td>
<td>8,820</td>
<td>3,366</td>
<td>3,030</td>
<td>3,066</td>
<td>3,165</td>
<td>2,450</td>
<td>2,932</td>
</tr>
<tr>
<td>Over 2 weeks up to 5 weeks</td>
<td>30,359</td>
<td>7,475</td>
<td>5,595</td>
<td>4,922</td>
<td>5,703</td>
<td>7,027</td>
<td>7,045</td>
<td>3,765</td>
</tr>
<tr>
<td>Over 5 weeks up to 3 months</td>
<td>16,862</td>
<td>7,043</td>
<td>8,925</td>
<td>8,398</td>
<td>10,179</td>
<td>11,988</td>
<td>13,670</td>
<td>6,930</td>
</tr>
<tr>
<td>Over 3 months up to 6 months</td>
<td>5,070</td>
<td>3,947</td>
<td>6,447</td>
<td>6,710</td>
<td>8,237</td>
<td>10,304</td>
<td>11,476</td>
<td>7,801</td>
</tr>
<tr>
<td>Over 6 months up to 12 months</td>
<td>2,873</td>
<td>1,881</td>
<td>4,775</td>
<td>4,843</td>
<td>5,959</td>
<td>5,145</td>
<td>5,673</td>
<td>5,858</td>
</tr>
<tr>
<td>Over 12 months up to 18 months</td>
<td>1,033</td>
<td>694</td>
<td>2,361</td>
<td>2,085</td>
<td>2,468</td>
<td>2,236</td>
<td>2,873</td>
<td>3,179</td>
</tr>
<tr>
<td>Over 18 months up to 3 years</td>
<td>774</td>
<td>581</td>
<td>2,478</td>
<td>2,906</td>
<td>3,499</td>
<td>3,101</td>
<td>3,647</td>
<td>4,059</td>
</tr>
<tr>
<td>Over 3 years up to 5 years</td>
<td>231</td>
<td>158</td>
<td>617</td>
<td>733</td>
<td>873</td>
<td>720</td>
<td>955</td>
<td>1,086</td>
</tr>
<tr>
<td>Over 5 years</td>
<td>120</td>
<td>47</td>
<td>123</td>
<td>348</td>
<td>405</td>
<td>211</td>
<td>352</td>
<td>364</td>
</tr>
<tr>
<td>Life</td>
<td>13</td>
<td>14</td>
<td>30</td>
<td>40</td>
<td>52</td>
<td>52</td>
<td>94</td>
<td>95</td>
</tr>
</tbody>
</table>

*Including periods imposed in cases of fine default but excluding sentences of corrective training and preventive detention.

The Average Length of Sentence

iv. Table 4 combines the information about offenders sent to prison and about the total prison population with an index of the average length of sentence. It shows how these factors have varied in relation to each other over the years. Two points need to be emphasised here, in drawing any conclusions about greater severity or greater leniency on the part of the courts. The first, which is perhaps obvious, is that as we achieve the very desirable aim of not sending people to prison for a few weeks when there are other ways of dealing with them, so the average length of sentence is bound to increase. Second, the figures given are those for all offenders, including those under 21, sentenced to imprisonment. Statutory restrictions on the powers of the court to send young offenders to prison and the greater use of borstal and detention centres are likely to affect the average length of prison sentences.

**TABLE 4**

<table>
<thead>
<tr>
<th>Sentenced Prisoners</th>
<th>Comparisons of Receptions, Population and Average Length* of Sentence (Males and Females)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Receptions under†</td>
<td>Index of receptions 3*</td>
</tr>
<tr>
<td>sentence</td>
<td></td>
</tr>
<tr>
<td>1913</td>
<td>138,295</td>
</tr>
<tr>
<td>1938</td>
<td>30,646</td>
</tr>
<tr>
<td>1948</td>
<td>34,687</td>
</tr>
<tr>
<td>1958</td>
<td>34,009</td>
</tr>
<tr>
<td>1961</td>
<td>40,440</td>
</tr>
<tr>
<td>1964</td>
<td>43,977</td>
</tr>
<tr>
<td>1967</td>
<td>48,234</td>
</tr>
<tr>
<td>1968</td>
<td>36,020</td>
</tr>
</tbody>
</table>

| 4                   | 5*                                                                                             |
| Average              | Index of                                                                                      |
| Population           | of sentenced prisoners                                                                        |
| sentenced            |                                                                                               |
| prisoners            |                                                                                               |
| Not available        | 36·8                                                                                            |
| 1913                |                                                                                               |
| 1938                | 75·8                                                                                            |
| 1948                | 85·8                                                                                            |
| 1958                | 84·1                                                                                            |
| 1961                | 100·0                                                                                         |
| 1964                | 108·7                                                                                         |
| 1967                | 119·3                                                                                         |
| 1968                | 89·1                                                                                            |

<table>
<thead>
<tr>
<th>6* Index of Average</th>
<th>length of sentence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913</td>
<td>17·0</td>
</tr>
<tr>
<td>1938</td>
<td>38·9</td>
</tr>
<tr>
<td>1948</td>
<td>82·7</td>
</tr>
<tr>
<td>1958</td>
<td>98·8</td>
</tr>
<tr>
<td>1961</td>
<td>100·0</td>
</tr>
<tr>
<td>1964</td>
<td>84·4</td>
</tr>
<tr>
<td>1967</td>
<td>93·4</td>
</tr>
<tr>
<td>1968</td>
<td>119·3</td>
</tr>
</tbody>
</table>

*Columns 3, 5 and 6 are indices with 1961 taken as 100.
†Excluding Court Martial cases, but including persons sentenced to life imprisonment except where sentences of death were later commuted.
v. Table 3 showed the number of offenders received into prison in certain years who had received sentences of particular lengths. Table 5 analyses the same set of figures so as to show what percentage of those sentenced to imprisonment in the same years received sentences of particular lengths. (In both tables offenders committed to custody in default of payment of fines are treated as though they had been sentenced to imprisonment). It shows that the proportion of offenders received into prison with sentences of more than 5 years is greater now than before the war or in 1948.

**TABLE 5**

Analysis of Length of Prison Sentence expressed as percentages*  
(Males and Females)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 2 weeks</td>
<td>58.6</td>
<td>28.7</td>
<td>10.0</td>
<td>8.9</td>
<td>7.6</td>
<td>7.2</td>
<td>5.1</td>
<td>8.1</td>
</tr>
<tr>
<td>Over 2 weeks up</td>
<td>21.9</td>
<td>24.4</td>
<td>16.7</td>
<td>14.5</td>
<td>14.2</td>
<td>16.0</td>
<td>14.6</td>
<td>10.5</td>
</tr>
<tr>
<td>to 5 weeks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 5 weeks up</td>
<td>12.2</td>
<td>23.0</td>
<td>24.7</td>
<td>24.7</td>
<td>25.2</td>
<td>27.3</td>
<td>28.3</td>
<td>19.2</td>
</tr>
<tr>
<td>to 3 months</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 3 months up</td>
<td>3.7</td>
<td>12.9</td>
<td>18.3</td>
<td>19.7</td>
<td>20.4</td>
<td>23.5</td>
<td>23.8</td>
<td>21.2</td>
</tr>
<tr>
<td>to 6 months</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 6 months up</td>
<td>2.1</td>
<td>6.1</td>
<td>14.3</td>
<td>14.2</td>
<td>14.7</td>
<td>11.7</td>
<td>11.8</td>
<td>16.2</td>
</tr>
<tr>
<td>to 12 months</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 12 months</td>
<td>0.7</td>
<td>2.3</td>
<td>7.1</td>
<td>6.3</td>
<td>6.1</td>
<td>5.1</td>
<td>5.9</td>
<td>8.8</td>
</tr>
<tr>
<td>up to 18 months</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 18 months</td>
<td>0.5</td>
<td>1.9</td>
<td>7.4</td>
<td>8.5</td>
<td>8.6</td>
<td>7.1</td>
<td>7.6</td>
<td>11.3</td>
</tr>
<tr>
<td>up to 3 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 3 years up</td>
<td>0.2</td>
<td>0.5</td>
<td>1.0</td>
<td>2.1</td>
<td>2.1</td>
<td>1.6</td>
<td>2.0</td>
<td>3.0</td>
</tr>
<tr>
<td>to 5 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 5 years</td>
<td>0.1</td>
<td>0.2</td>
<td>0.4</td>
<td>1.0</td>
<td>1.0</td>
<td>0.5</td>
<td>0.7</td>
<td>1.0</td>
</tr>
<tr>
<td>Life</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Including periods imposed in cases of fine default.  
Excluding court martial prisoners.

Criminal Justice Act 1967

vi. It has been the policy of successive Governments throughout this century to attempt to limit the number of people sent to custody and to encourage other effective ways of dealing with offenders. In particular there has been a series of statutes aimed at reducing to the minimum the number of young people and first offenders sent to prison. One of the main purposes of the Criminal Justice Act 1967 was to accelerate the shift of emphasis away from imprisonment. One major innovation introduced by that Act was the suspended sentence, enabling the courts when passing a sentence of imprisonment of 2 years or less to suspend its operation for a period of between one and 3 years. In any case where the offender is sentenced to imprisonment for 6 months or less (as were over 60 per cent of those sent to prison in 1967) the court is obliged to suspend the sentence unless the offence is one involving violence or a weapon, or the offender has previously received a prison or borstal sentence (including a suspended sentence) or is subject to a probation order or an order of conditional discharge. The offender serves his sentence only if, within the period of suspension, he commits a further offence punishable with imprisonment; in that event, the suspended sentence is put into effect unless the court considers that it would be unjust to do so in view of any circumstances that have arisen since it was passed.
vii. It is too early to pass any judgment on the effect of the new provisions in keeping people out of prison and deterring them from committing fresh offences. It is not simply a question of counting the number of suspended sentences passed and the number subsequently enforced after fresh crimes have been committed, since the figures suggest that some courts may have passed a suspended sentence where before 1968 they would have imposed a fine. Nevertheless the first year's figures are encouraging. In 1968 32,002 offenders received suspended sentences and within that year only 4,222 were committed to prison after a subsequent conviction.

viii. The 1967 Act contained other measures designed to reduce the number of people sent to prison for short periods. These included legislative restrictions on remands in custody, the freer use of bail, the more widespread use of social inquiry reports as a guide to sentencing, increased powers to fine offenders, and modified fine-enforcement procedures. Here also the preliminary results are encouraging. The number of people received into custody before sentence—and this, for almost all adults, means detention in grossly overcrowded local prisons—fell by 1,564 (or 3 per cent) in 1968 compared with 1967 and the number of those sent to prison in default of fines fell by 4,395 or 34 per cent.

Length of Prison Sentences in Recent Years

ix. Paragraphs iv and v show that fewer people are being sent to prison for short periods than before the war and that the average length of sentence has increased. Table 6 gives more detailed information about the average length of sentence in each year since 1961. It shows that this fell between 1961 and 1963, and has increased again since 1966. The sharp increase in 1968 is a reflection of the fall in the number of offenders received into prison on short sentence as a result of the Criminal Justice Act 1967. It is too early to say what the long term trend will be.

### TABLE 6

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Index of Receptions</th>
<th>Index of Population</th>
<th>Average Index of sentenced Prisoners</th>
<th>Index of Population</th>
<th>Index of Average length of sentence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>1962</td>
<td>113.4</td>
<td>106.8</td>
<td>105.0</td>
<td>91.6</td>
<td>84.3</td>
</tr>
<tr>
<td>1963</td>
<td>113.6</td>
<td>99.5</td>
<td>105.0</td>
<td>83.6</td>
<td>84.3</td>
</tr>
<tr>
<td>1964</td>
<td>108.7</td>
<td>99.5</td>
<td>99.2</td>
<td>93.4</td>
<td>93.9</td>
</tr>
<tr>
<td>1965</td>
<td>112.4</td>
<td>99.2</td>
<td>107.0</td>
<td>93.4</td>
<td>119.3</td>
</tr>
<tr>
<td>1966</td>
<td>123.7</td>
<td>107.0</td>
<td>114.0</td>
<td>93.4</td>
<td></td>
</tr>
<tr>
<td>1967</td>
<td>119.3</td>
<td>102.7</td>
<td>119.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1968</td>
<td>89.1</td>
<td></td>
<td>21.401</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Columns 3, 5 and 6 are indices with 1961 taken as 100.
†Excluding Court Martial cases, but including persons sentenced to life imprisonment except where sentences of death were later commuted.
Very Long Sentences

There is a widespread impression that more very long sentences are now being imposed. Table 7 gives some information about the number of offenders sentenced to imprisonment for 10 years or over (including life) in each year since 1958. It shows that while there has been an increase in the number of offenders received with life sentences, the number of fixed sentences of 10 years and over has not changed greatly in the last decade. On the other hand, there has been a change in the number of offenders received with fixed sentences of 14 years and over. Table 8 shows the number of such sentences imposed in each year since 1949. As the Advisory Council on the Penal System pointed out in their Report on the Regime for Long-Term Maximum Security Prisoners*, the secure yet humane containment of this very small group of prisoners creates special problems for the prison service.

---

**TABLE 7**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Number of Receptions</th>
<th>Receptions under sentence of ten years or over excluding life</th>
<th>Life Sentences</th>
<th>Percentage†</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958</td>
<td>31,749</td>
<td>50</td>
<td>34</td>
<td>0.26</td>
</tr>
<tr>
<td>1959</td>
<td>34,605</td>
<td>33</td>
<td>46</td>
<td>0.23</td>
</tr>
<tr>
<td>1960</td>
<td>35,561</td>
<td>41</td>
<td>48</td>
<td>0.25</td>
</tr>
<tr>
<td>1961</td>
<td>38,007</td>
<td>54</td>
<td>49</td>
<td>0.27</td>
</tr>
<tr>
<td>1962</td>
<td>43,152</td>
<td>59</td>
<td>37</td>
<td>0.22</td>
</tr>
<tr>
<td>1963</td>
<td>43,420</td>
<td>47</td>
<td>54</td>
<td>0.23</td>
</tr>
<tr>
<td>1964</td>
<td>41,724</td>
<td>47</td>
<td>54</td>
<td>0.24</td>
</tr>
<tr>
<td>1965</td>
<td>43,382</td>
<td>43</td>
<td>73</td>
<td>0.27</td>
</tr>
<tr>
<td>1966</td>
<td>47,770</td>
<td>90</td>
<td>84</td>
<td>0.36</td>
</tr>
<tr>
<td>1967</td>
<td>46,183</td>
<td>54</td>
<td>91</td>
<td>0.31</td>
</tr>
<tr>
<td>1968</td>
<td>34,671</td>
<td>57</td>
<td>92</td>
<td>0.43</td>
</tr>
</tbody>
</table>

†This percentage is the total of Cols. 2 and 3 expressed as a percentage of Col. 1 to show the proportion of sentences of ten years and over imposed by the courts in each year.

---

**TABLE 8**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Receptions</th>
<th>Receptions of Fourteen Years or Over</th>
</tr>
</thead>
<tbody>
<tr>
<td>1949</td>
<td>14</td>
<td>5 4 1 2 5 3 6 2 2 1 4 6 1 1 5 2 2</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>1 2 3 2 1 3 4 1 3 5 1 7 3 2</td>
</tr>
<tr>
<td></td>
<td>16-20</td>
<td>3 1 1 3 1 1 1 3 2 4</td>
</tr>
<tr>
<td></td>
<td>21-25</td>
<td>3 3 2 1 1</td>
</tr>
<tr>
<td></td>
<td>30</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>42</td>
<td>1</td>
</tr>
</tbody>
</table>

**Life Sentences**

New problems have also been created for the prison service by the increase in the number of prisoners serving life sentences. 10 years ago, at the end of 1958, there were 139 prisoners serving life sentences or detention “during Her Majesty’s pleasure”. 5 years later the figure was 329. By 31st December 1968 it had risen to
598. It seems likely that the number will continue to rise. The term of imprison-
ment actually served by prisoners sentenced for life is determined according to
the circumstances of every particular case—and every case is different. Since the
war most life sentence prisoners have served a term equal to that served by a
prisoner with a long fixed sentence of between 10 and 18 years. Out of 180 such
prisoners released in the 10 years 1959–1969 all but 19 had served for periods
equivalent to a fixed sentence of 10½ years or longer on which the normal one
third remission had been granted. A few life sentence prisoners were detained for
much longer periods. One had spent 15 years in prison, one 20, and two were
released after 21 years. Such very long periods have been unusual since the war.
But the position is changing partly as a result of the abolition of capital punish-
ment. There are some men who have already spent a considerable period in
custody (in one case more than twenty years) and whom it would not in the
present state of knowledge be safe to release into the community. A few may
have to be detained for something approaching the term of their natural life.
III

OFFENDERS IN CUSTODY

THE PEOPLE IN CUSTODY

26. This and the next Part of the White Paper deal with the treatment of people in custody, with their daily lives and with what is done to conduce to their rehabilitation as members of the community. It will be useful, first, to describe the people in custody, and, second, to clarify what is meant by “treatment”.

27. The Appendix (page 000) shows their ages, the offences of which they have been convicted, and how many times they have been in custody before. In 1968 there were on average over 31,500 men and boys but only 800 women and girls in custody: a ratio of about 40 to 1. The following table shows the main groups:

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. In prison</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) unsentenced</td>
<td>3,474</td>
<td>182</td>
</tr>
<tr>
<td>(b) sentenced to imprisonment up to 18 months</td>
<td>9,628</td>
<td>275</td>
</tr>
<tr>
<td>(c) sentenced to imprisonment over 18 months</td>
<td>11,351</td>
<td>147</td>
</tr>
<tr>
<td>2. Sentenced to Borstal</td>
<td>5,648</td>
<td>178</td>
</tr>
<tr>
<td>3. At a detention centre</td>
<td>1,555</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>31,656</td>
<td>805</td>
</tr>
</tbody>
</table>

UNSENTENCED PRISONERS

28. About 10 per cent of all those in custody are being held on remand or awaiting sentence. They are detained in local prisons or special remand centres, and Part VI of the White Paper gives some account of the staff time occupied in looking after them and the related escort duties and court work.

SENTENCED PRISONERS

29. The people in custody are predominantly young. About 28 per cent of all those in custody are under 21, while of the men over that age, almost half are under 30. The figures given in the Appendix show that the majority of convicted offenders have been found guilty of offences against property (theft or burglary) and that only a very small proportion are first offenders—less than one in ten of adult men sent to prison, and less than one in thirty of young men at borstal.
Moreover, and this is equally important to any assessment of the task of the service, the majority of convicted offenders in prisons and borstals are not serving their first sentence but have been in custody before.

**LENGTH OF SENTENCE**

30. The majority of convicted offenders are in custody for less than twelve months. Young offenders sent to detention centres normally serve a fixed sentence of three or six months, on which one-third remission is now granted; and the normal period of detention at borstal is a little over a year. Only about one in five of adult offenders in prison have to spend more than two years in custody*.

**TREATMENT**

31. No clear distinction can, or should, be drawn between the aspects of treatment that are primarily designed to regulate the daily life of an offender in custody and those that look primarily towards his return to the community. For example, a man's attitude to authority after release may well be affected by the conduct of a disciplinary hearing in prison. The clothes that a young man at borstal has to wear may affect his self-respect and thus his view of himself and of society. Again, work is central to the treatment of many offenders in custody. Well organised and productive work can provide training that is of value to an offender after release. In addition, the organisation and tempo of work in a prison or borstal affect the attitude of the offender to his daily life and the atmosphere of the institution in which he is detained.

32. Thus it is wrong to think of treatment as an item, or choice of items, that can be added at will to the daily regime of a prison or borstal to meet the needs of offenders. Neither our capacity for the diagnosis of the needs of offenders nor the ability to effect a cure is at present as great as many advocates of this or that form of treatment have implied. We need a view of treatment that embraces all that is done by or for the offender in custody. But there is also a place in the prison system for the use of the term in the alternative sense in which it relates to a diagnosis and to the possibility of a changed way of life; and there are already in the system a wide variety of forms of treatment that have been evolved in the hope that they may directly affect an offender's behaviour both in custody and after release and may assist his rehabilitation.

**DAILY ROUTINE**

33. It is not possible within a brief compass to describe all aspects of the treatment of offenders in custody in the wide variety of establishments for which the Prison Department is responsible. The following paragraphs describe some of the main aspects of the daily routine of a prison or borstal. Here, and elsewhere in the White Paper, most of what is said of prisons and borstals applies also to detention centres and remand centres.

*The note on page 34 refers to the special problems created for the prison service by the small number of men serving very long sentences.
A SOCIETY IN MINIATURE

34. In many ways a prison or borstal is a society in miniature providing for those in custody most of the essential facilities of living that the citizen enjoys outside. The original basic elements of the well-ordered Victorian gaol were food, shelter, clothing, exercise (of a sort), religious services and medical treatment. "Good order and discipline" were maintained by the separation of prisoners and the enforcement of the rule of silence. Mere incarceration was not thought punishment enough. As Wilde wrote in his Ballad of Reading Gaol:

"I know not whether laws be right
Or whether laws be wrong;
All that we know who lie in gaol
Is that the wall is strong,
And that each day is like a year,
A year whose days are long."

But now to the original basic elements are added work, access to books, opportunities for education, and opportunities for social life and recreation within the institution. As a result the prison society has become increasingly complex.

DISCIPLINE

35. The entire regime must rest on a foundation of discipline and good order. As with all societies a prison or borstal must have rules, and sanctions that can be imposed for breaches of them. But discipline depends far more on the attitudes of staff and of the offenders in their charge than it does upon sanctions. The relationships in the daily contacts between members of the prison service and offenders in custody are generally good. (A visitor whose image of a prison has been formed by the harshness of its Victorian buildings, and by grim tales of prison life, is very often surprised by the relaxed atmosphere he finds inside the wall.) In the last few years the uniformed officer has been encouraged to get to know and to concern himself with the treatment of those in custody, with the result that there has been a noticeable improvement in the atmosphere of our institutions. This process will continue. There will always be a small minority of offenders needing strict control and supervision and there are some offenders who, if given any opportunity to do so, will dominate the larger group of which they form a small part. For the majority of offenders no more restrictions need be imposed than are necessitated by the efficient performance of the task of the establishment within the limited space available, and by the maintenance of good order.

ASSOCIATION

36. The Gladstone Committee recommended in 1895 that "the privilege of talking might be given after a certain period as a reward for good conduct on certain days for a limited time"*. The difference between this cautious recommendation and the present practice is one illustration of the change in the attitude of our prison system to the social life of people in custody. Restrictions on

*Paragraph 73 of the Report.
prisoners talking to each other have long since been abolished, and it is the Government's policy to allow them to associate with each other at work, at mealtimes and in the evenings. The fact that in our local prisons too many are locked in their cells for up to 18 hours out of the 24, and sometimes longer at the weekends, shows the extent to which progress is still hampered by Victorian buildings, designed for solitary confinement, and by shortages of staff. In many local prisons most prisoners have to eat in their cells, because there is no room for them to do so anywhere else, and spend the evening hours in their cells because of the lack of space for classes or other activities. (An evening, in prison, starts at 5 p.m.) At the other end of the spectrum is the purpose-built training prison in which prisoners eat their meals together, and in which rooms are available where, in the evening, they can watch television, play table tennis or billiards, or talk. Between 7 a.m. and 9 p.m. in these prisons a man does not have to be locked in his cell except for very brief periods. In this respect, the establishments for young offenders are at the same end of the spectrum as the training prison. The staff complement of all borstals and detention centres is designed to allow a full day's activities, including work, opportunity for sport and recreation, and evening association.

OTHER PRIVILEGES

37. The reference in the quotation from the Gladstone Committee Report to the grant of "the privilege of talking . . . as a reward for good conduct" illustrates two other points. First, the way in which the privileges of one generation become the accepted practice of the next—library books, for example, are no longer a privilege to be allowed only to some people; and, secondly, the use of privileges as rewards for good conduct. There is certainly a place for the progressive grant of privileges if they entail greater responsibilities on the part of the inmate, and mark real progress in his response to training. This is still one of the main features of the borstal system. But any graded system of privileges is liable to become automatic and bureaucratic. The Government decided in 1967 to abolish the gradation of minor privileges in prisons and those parts of the old "stage" system that still remained, and changed the emphasis by retaining and strengthening the power of the Governor to withdraw privileges, such as that of eating meals in association, from the minority who abuse them. One such development was that prisoners in cellular training prisons may now have personal radio sets.

THE PRISON COMMUNITY

38. There are dangerous and violent people in custody; but, although the maintenance of good order and discipline is the first duty of any penal administration, the staff are not merely detached preservers of good order. Their role is more complicated and more important than that. To understand their role it is first necessary to abandon the presumption, frequently and naively made, that the prisoner is the passive recipient of punishment or of instruction, or that he is the unprotesting object of institutional control.

39. Offenders see committal to custody as a mark of society's rejection. While some are genuinely filled with regret for their offences they do not necessarily
accept that their sentences are just. Moreover, life in custody, with its inevitable reduction of personal choice in companions, possessions, and activities, may be seen by the offender as a threat to his own sense of identity. He may seek to counter this threat by his own individual response to the regime or by sharing in the collective attitudes of those around him. Acts of indiscipline and disobedience are the overt expressions of such protest. Manipulation of “the system”, of the procedure for redress of genuine grievances, of staff and of other inmates, are less obvious but not less serious manifestations of the attitudes of offenders to the reality of custody, and can lead to the undermining of authority or to a situation in which a great deal of the work of the staff is taken up with its maintenance.

THE ROLE OF THE STAFF
40. Most observers of the prison community would accept this general analysis, although there would be dispute about the details. Many offenders see members of the staff of the prison or borstal as part of a hostile community. It is therefore of vital importance to find means, particularly through staff training, to avoid such a general polarisation of attitudes. For if someone in custody is able to make a personal contact with a member of the staff he may begin to appreciate that the staff are fellow human beings, who have many other functions than that of representing the restrictive aspects of authority. Such appreciation may enable him to reject the pressures for a collective and unreasoning hostility to the staff, and encourage him to think about his own present behaviour and that which brought him into custody. When an offender begins to understand the reasons for his own behaviour there is a much better chance of his being able to change it in future.

PERSONAL RELATIONSHIPS
41. There are many opportunities for offenders to develop personal relationships of varying kinds with members of the staff within the prison society: with officers in the daily activities of the prison, in personal interviews and recreation, with instructors in workshops and teachers in classes, with chaplains and welfare officers, with assistant governors and governors. All these situations provide the staff with opportunities that can be used to demonstrate that good relationships are possible; and if the staff have received training in the skills of individual case work and in the understanding of group processes, such personal influence is likely to be the more effective.

A MORE CONSTRUCTIVE COMMUNITY
42. Individual case work of this nature may take place within the prison community as it exists. Or there may be a conscious attempt to alter the structure of that community in such a way that the offenders in it can help others and themselves to deal in a positive way with their destructive tendencies. Any attempt to change the attitudes of offenders by these methods requires training and understanding on the part of the staff, and makes heavy demands on them.

43. The prison service is engaged in an attempt to develop a constructive community atmosphere at Grendon, under psychiatric supervision. Other prisons
and borstals have experimented in the conscious shaping of a regime and of staff attitudes to this end. For example, group counselling has been found a useful way of helping some young men in borstals to face up to their difficulties and to understand more easily the reasons for behaviour which is not acceptable to society. It is hoped that research, particularly in certain borstals, may in time show what types of offenders are receptive to individual treatment, to treatment in groups, and to the more traditional forms of training, for it is very likely that group treatment will not be beneficial for all.

44. The efficacy of such concepts in reducing criminality is as yet unproven. What does seem clear is that staff involvement with offenders, and greater understanding of the nature of custody, have brought about an encouraging alteration in the social climate of many institutions, a lessening of tension and a reduction of violent outbursts by prisoners. The alteration in atmosphere has brought benefits as well as challenges to staff no less than to offenders.

WORK

45. In no part of the prison system have there been greater changes in the past few years than in the sphere of work. The policy that work for prisoners should be punitive, and therefore as purposeless and degrading as possible, was abandoned long ago, and the belief that the offender, especially the young offender, might be reclaimed by being taught a trade lay behind much of the penal reform in the period before 1914. It was in 1914 that that shrewd observer Kin Hubbard wrote of a man that "he has decided to go to work until he can find something better". Between the wars, considerable attempts were made to improve work and industrial training, but the economic climate was not favourable. After the second world war economic conditions had altered and more and better work was available to prison workshops. But these opportunities came at a time when the number of offenders in custody was increasing rapidly, and as both the opportunities and problems grew it became clear that the prison service lacked the organisation to implement new policies efficiently.

PURPOSE OF WORK

46. In 1960 an Advisory Council on the Employment of Prisoners was set up to advise the Government of the day how things might be improved. In three reports the Council defined the purpose of work for offenders, suggested the kinds of employment that were suitable and set out the changes in organisation that they thought were necessary. Real progress is now being made on the basis of the Council's recommendations. Current developments have two aims. The first, and more important, is that offenders in custody shall be given training and experience that will fit them to get and keep jobs on discharge. The second is that the best possible economic use be made of prison labour. For the most part these two aims can go hand in hand. Modern semi-skilled work—the kind of production work done in the bulk of the industries of the country—is what is readily available to most offenders on discharge. It is also the kind of work that can be organised in prisons and borstals so as to make a useful contribution to the national economy. The Government recognises that it is right to provide
facilities for the comparatively small proportion of offenders who are capable of learning and benefiting from a skilled trade, and more also needs to be done for the comparatively small proportion who can realistically hope to return to "white collar" employment. It is, however, neither practicable nor indeed necessary to provide for most offenders exactly the same work in custody as they might obtain after release. The need is the inculcation of the habit of regular and purposeful work at a tempo and in conditions as close as possible to those of outside industry.

PRACTICAL DIFFICULTIES

47. In developing this kind of work the Prison Department faces practical difficulties that are not met by outside employers—who can choose whom they will employ. Some prisoners are not inclined to work and others lack the adaptability to take on even fairly routine jobs. A small proportion would probably be regarded by any outside employer as unemployable. Some, like Mark Twain, "dislike work even when another person does it". There is about a 400 per cent turnover each year in the labour force of the average prison workshop. This is partly because of the number of offenders serving short sentences and partly because of the transfers that are necessary from one establishment, or part of an establishment, to another. It is a situation that might face a business with over 100 branches each of which changed its labour force every three months. Also most prisons were built at a time when the policy regarding prison work was quite different, and the demand for workshop space far smaller. Existing buildings cannot easily be adapted to house modern manufacturing processes; in many cases there is neither enough space nor enough power.

48. There is, however, an obligation to provide some sort of work for everyone in custody. In overcrowded prisons this means the overmanning of workshops and the absorption of further surplus labour into the domestic services of the prison. Security, which can never be ignored, affects the layout of workshops; and in closed prisons it involves arrangements for escorting prisoners to and from work that cut into normal working hours. In local prisons in particular there are many other claims on staff time that may have to take priority over the manning of workshops.

49. In the past few years considerable resources have gone to help to overcome the physical handicaps. New workshops have been built, power supplies have been improved and about £750,000 invested in machinery in the last four years. But this has still not caught up with the deficiencies of the past. A long period of sustained building and equipping of workshops lies ahead.

THE ORGANISATION AND MANAGEMENT OF WORK

50. The pace at which buildings, services and equipment can be modernised is not the only factor governing the effectiveness and economics of work. The reports of the Advisory Council on the Employment of Prisoners laid stress on the need for better organisation and management. In 1964 the legacy from the past was a collection of 36 manufacturing activities spread over a hundred and more establishments. Three years ago a start was made in reducing this complex
of activities to a small number of industries that could be organised on a sound economic basis and that would still provide a wide range of semi-skilled work. The industries chosen were light engineering, carpentry, garment making, metal recovery, weaving and laundering. Under present plans most prisons will eventually have no more than two main industrial activities.

51. This smaller number of industries requires efficient management. The Advisory Council pointed the need for the same calibre of management as would be found in an efficient firm. Acceptance of their recommendations has called for a reorganisation of the whole management structure of prison industries. The new management of prison industry cannot be based entirely on outside patterns. It operates in, and must understand, the special constraints of the prison situation in which profitability is not the overriding consideration. It must also operate in the framework of annual estimates, and the careful check and control of public money, that stem from accountability to Ministers and to Parliament and do not always allow of commercial flexibility. Nevertheless, the Prison Department has looked to outside industry for staff and for ideas. It has introduced modern techniques such as work study, management accounting, marketing, quality control and management development of staff, that are an accepted feature of modern industry but were new to prison industries. All this has required an increase in the number of civil servants employed in what has been an under-managed area; and more staff, especially senior management staff, will be needed in the next few years to complete the process of modernisation.
The financial returns from prison industries as a whole have shown encouraging improvement. The value of production is rising. The graph on this page shows the estimated value of production in each year since 1962 and the increase planned up to 1972. The trading results are also improving. Against the value of goods produced by prison industries must be set the costs incurred in their production. These include the normal industrial costs of materials and overheads (including rent). They also include the cost of supervision in prison workshops. The diagram above puts the value of production and costs together to show the trading results for 1962, 64, 66 and 68 and the projected outcome in 1970 and 1972.

In the past, prison industries always made a loss. It reached about £750,000 in 1966, and had been reduced to £450,000 in 1968. The current loss is about £350,000 a year. The Government’s immediate aim is to turn the loss into a profit of £500,000 by 1972. Profit depends on productivity. The annual value of goods produced by the average prisoner in prison industries today is about £420. The comparable figure for an operative in outside industry is about

28
1972

£m.
0.4

1970

£m.
0.2

£m.
10.1

£m.
9.7

1966

£m.
0.75

£m.
4.5

£m.
5.25

£m.
5.45

£m.
5.9

1968

£m.
0.45

1968 COMPARISON OF COSTS

INDUSTRIAL SHOPS

Materials 55%

Labour 25½%

Supervision 17½%

Overheads 25%

OCCUPATIONAL SHOPS

Materials 25%

Labour 5%

Supervision 34%

Overheads 38%
£2,500, and the gap between the two shows the theoretical scope for improving productivity in prison workshops. The unique handicaps faced by prison industries will always put the national figure beyond reach, but by 1973 about 16,000 operatives (an increase of 23 per cent over the present number) should be producing per head goods to the value of £700 per year, and, as a long-term aim, a figure approaching £2,000 per head might be a realistic target. Productivity of this order would show a substantial profit.

**OCCUPATIONAL AND INDUSTRIAL WORKSHOPS**

54. It is only in a proportion, though an increasing proportion, of prison workshops that work can be efficiently organised. There are some old and overcrowded workshops known as “occupational shops” where, because of the size and quality of the labour force, “employment” is little more than a way of spending part of the day. These differences are reflected in the costs incurred. As the diagram on page 000 shows, the cost of supervision and overheads is proportionately higher in occupational shops, which accordingly make a loss. The remaining shops, the “industrial shops”, are now breaking even.

**MARKETS**

55. As production expands so prison industries require bigger markets. The main markets will probably involve the production of goods and services for government departments (including the Prison Department). But production for sale to commercial firms and nationalised industries will increase. To some extent, since prison industries see their future in association with outside industry, this will be through sub-contracting arrangements with firms. To a lesser extent, it will be through competition on fair terms. It is important for prison industries to have the understanding and co-operation of both sides of outside industry. This has lately been forthcoming, and the Government is grateful for it and will do all it can to preserve this goodwill.

**COLDINGLEY**

56. At a new prison at Coldingley in Surrey many developments described in previous paragraphs are being taken a stage further. The regime of this new prison is geared to industry, and prisoners work in light engineering, or in the commercial laundry, with equipment and in conditions comparable with those found in efficient organisations outside. This project is designed to be an economic success. Its industries, employing 240 prisoners, should have an annual turnover of £400,000. More important, Coldingley will test the possibility of “training the whole man” in an industrial prison environment with a regime to which all the other interests in the prison service can also make a contribution.

**NON-INDUSTRIAL WORK**

57. 80 per cent of the population at Coldingley will be employed on industrial work. In prisons as a whole only about half the population is so employed. Too many prisoners are at present under-employed in the domestic services of the prison, such as cleaning, and in the kitchens. There is room for much improve-
ment in the efficiency of domestic services and a start has been made by applying work measurement to such services and setting standards of efficient manning of parties. Several thousand more jobs will have to be provided in industry and building to absorb the prisoners released from domestic work.

FARMING

58. There is scope for similar improvement in farming. The Prison Department owns or rents about 11,000 acres of farm land. This employs an average of 1,200 people and produces about £600,000 worth of food a year. The yield from these farms is above the national average, but the use of labour is uneconomic, and there have been unrealistic assumptions about the training value of work on farms for men and boys likely to return to urban areas. There is scope, however, for a rationalised modern farm system giving efficient work to a relatively small number of offenders and making a contribution to the national economy. Some of the more isolated farms manned by parties of prisoners travelling daily from a parent prison might be capable of being developed as separate residential establishments. A study is being made of the feasibility of this and of the regimes that might be suitable. One suggestion is that they might be used as an experimental form of treatment for some categories of socially inadequate offenders.

ORGANISED WORK OUTSIDE

59. Some open prisons and borstals supply parties to work for farmers in the neighbourhood, particularly at harvest time. Other parties help to improve local amenities, such as canals, and take part in archaeological excavations. While the Government is in sympathy with the employment of offenders on outside work that has clear social value, the contribution prison labour can make in this direction is limited by security considerations, shortage of supervisory staff and the need to devote resources to improving work within institutions.

BUILDING WORK

60. There is wide scope for increasing the amount of building work done by offenders. There is nothing new in prisoners producing work that benefits the prison system and the Government does not accept that it is wrong so to employ them. Their labour can make an important contribution not only to the badly needed maintenance and rebuilding of some of the older prisons and borstals, but to the building of new establishments. The building of the detention centre at Eastwood Park, in Gloucestershire, was an example of what can be done. Almost the whole of the work was done by prisoners who were brought to the site daily from Leyhill and Bristol prisons. The buildings cost 25 per cent less (that is about £100,000) than they would have done had the work been done by outside contract. The prisoners benefited because their work had obvious purpose and value, and was done in conditions, and at a tempo, comparable to that of a sizeable building project. Both prisoners and staff benefited from the harmonious working relationships that grew up on the site.

61. The success of this project has encouraged the Prison Department to extend plans for the efficient use of its own labour force, for example in the rebuilding
of major parts of the borstal at Hollesley Bay, Suffolk, and of the prison at The Verne, Dorset, and in other long-term redevelopment plans*. These projects have shown the value of the right kind of training. The emphasis in trades other than building is changing to provide practical training that the prisoner can put to profitable use during his sentence as well as in employment after his discharge.

CO-OPERATION IN RESETTLEMENT

62. An important feature of the Eastwood Park scheme described above was the part played by the local officers of the building trade unions. They took an interest in the prisoners' work. Before the end of a prisoner's sentence they interviewed him and in suitable cases arranged his admission to a union and helped him to settle in the building trade on his discharge. The Amalgamated Union of Building Trade Workers has agreed to national arrangements of this kind. The Prison Department has made similar arrangements with the Transport and General Workers' Union and hopes to do so shortly with other unions; it is also seeking further co-operation from employers who might help in the resettlement of offenders on release. It is felt that young offenders in borstal can, for example, benefit considerably from an increase in building work, the practical training allied to it, and arrangements with trade unions to help in resettlement in the working community. In the engineering industry, co-operation with an outside firm has produced schemes under which prisoners are given production training on up-to-date engineering machines supplied by the firm and are able to apply for jobs in the firm's factories on discharge. These arrangements also have been made with the support of the trade unions.

EARNINGS

63. The average earnings of offenders in custody at present are 7s. a week. This is no more than pocket money. It allows no scope for savings to be made for the offender's discharge, or to help his family. As an incentive to hard work it is derisory. The Government believes that the improvement in the tempo of work, and the increasing opportunities to do a useful and productive job, can themselves have an important effect on the rehabilitation of offenders and the development of prison industries. But there must also be an improvement in earnings, and that must come from greater opportunity for employment in more skilful work. This approach makes sense in economic terms, and in terms of the general treatment of offenders. It is Government policy therefore to tie higher earnings to improved standards of work. New rates have been introduced and some prisoners will be able to earn up to 33s. a week in return for increases in productivity.

INCENTIVE SCHEMES

64. The new incentive schemes started in 1967 in the workshops at Kirkham prison in Lancashire and in selected workshops at other prisons. The prisoners employed on the building of the detention centre at Eastwood Park received incentive payments. The results were encouraging. A further experiment at

*See paragraph 186.
Kirkham has shown that similar incentive schemes can be applied to other types of work and can produce an increase in productivity approaching 40 per cent. They also bring a much brisker atmosphere to the whole prison. The Government plans the extension of incentive schemes. Their introduction depends on the careful application of work measurement techniques by skilled staff and on the provision of more jobs to absorb the prisoners made redundant by more efficiently organised work. Progress is therefore steady rather than spectacular. 1,000 prisoners are now being paid on an incentive basis. By the end of this year there should be at least 2,000. An experimental scheme has started at one borstal.

FUTURE PLANS

65. It is often suggested that offenders in custody should receive earnings comparable with those of average workers in outside industry and that from these earnings they should meet their commitments to their families, and the cost of their board and lodging, now borne by the taxpayer. The Government regards arrangements of this kind as its ultimate aim. But prison industries are clearly a very long way from being able to meet on an economic basis the £30 millions or more a year that it would cost to pay everyone now in custody the national average wage.

66. There are two possible policies that could be followed in the next few years. The general level of earnings of all prisoners could be gradually increased as the efficiency and profitability of prison industry improves, or increased earnings could be confined to those prisoners whose work became more efficient and profitable than the average: there are already some workshops which could support pay of several pounds a week to those working in them. These two policies are not mutually exclusive, and whatever increase becomes possible in the general level of earnings the Government hopes that individual prisoners will continue to be able to earn more than the average by their own efforts.

FOOD AND CLOTHING

67. Reference was made earlier to the basic elements of the prison regime. These include food and clothing. Prison food is wholesome and adequate. In the past the chief criticism has been that it was monotonous and badly served. Much has been done since the war to improve the preparation and serving of food, and, where space has been available, to improve messing facilities. Individual establishments are able to introduce more variety into their menus. The general standard of prison catering now compares favourably with that in hospitals and other institutions. As in any other institution the quality of the meals depends largely on the efforts and imagination of the person in charge of catering, and the general improvement of recent years owes a good deal to the work of the catering officers of the service.

68. Prison clothing has also been much criticised, and although many of the critics have underestimated the practical problems of providing serviceable clothing for a rapidly changing population, the Government agrees that there is considerable scope for improvement. Most women and girls in custody are now
allowed to wear their own clothing or civilian clothing bought for them. This has improved their morale and their self respect. The problems of security and discipline are different for men and boys in custody and the Government has no plans for allowing convicted offenders in male establishments to wear their own clothes. The aim rather is to encourage self-respect by improving standards of uniform clothing.

69. The battledress blouse has been the outward mark of an offender in custody for many years. It is neither smart in appearance nor particularly serviceable. It is now being replaced by a jacket that is more attractive and more comfortable to wear. Shirts, socks and underwear of a more modern design have also been introduced. The redesigned garments require fewer manufacturing operations in prison workshops and are cheaper to produce, and it has been possible to improve the frequency of issue, which is particularly important for underwear. It should soon be possible to introduce, without increase of cost, more variety into the clothing provided, and to allow most men and boys in custody some choice of what they will wear. It should, for example, be possible to have a range of shirts in different colours. Pyjamas are now being issued in prisons as well as in borstals (the latter have had them for some years); among the inherited Victorian traditions was one that required prisoners to sleep in their shirts.

MEDICAL SERVICES

70. Because of the National Health Service and changing social conditions the people who now come into custody are generally in a better physical state than those received into prison 20 years ago, and the treatment of serious physical illness forms a smaller part of the work of the prison medical officer than it did. But each prison or borstal has some accommodation for sick people and there are larger prison hospitals, some with up to 100 beds, to which patients can be transferred if they need treatment not so readily available in their own establishments. The prison medical service can call on the consultant and specialist services of the National Health Service and patients can, where necessary, be sent to outside hospitals.

PSYCHIATRIC TREATMENT

71. There is a steadily increasing awareness of the need for psychiatric care in custody and the last few years have seen substantial development in the psychiatric services. About 15 or 20 per cent of all offenders and more than half of all women in custody receive some form of psychiatric treatment during their sentence. Two-thirds of the full-time medical officers in prisons and borstals have had psychiatric experience outside the prison medical service and there are 40 visiting psycho-therapists. The psychiatric work in prisons is not confined to the treatment of those who are manifestly ill. There are many offenders who need some degree of psychiatric support and supervision at various stages of a sentence, especially a long sentence, and they include, inevitably, some who apply frequently to see a doctor for what is ostensibly some physical ailment. An important part of the work of medical officers in relation to the prison system as a whole is that of increasing the understanding among staff of all
grades who have to deal day by day with disturbed offenders. It is by this means, as much as by the various forms of medical and psychiatric treatment, that the service can lower the risk of violent outbursts by unstable offenders in custody.

72. Grendon, opened in 1962 as our first psychiatric prison, is pioneering the treatment of personality disorders in a prison setting, and techniques now being developed at Grendon may be of value in other establishments. There are other psychiatric centres in the prison service at which patients may receive psychiatric treatment. Both physical and psychological treatments are available. At some establishments special treatment is available for alcoholics, and the prison medical service is developing its work with drug addicts.

OTHER FORMS OF TREATMENT

73. Two widely differing examples may be given of the way in which modern medical techniques can assist in the rehabilitation of offenders. First it is well known that a considerable proportion of the young men and women who come into custody have been tattooed, and many regret it. Arrangements can be made for offenders to undergo surgery during sentence for the removal of unwanted or objectionable tattoos. Secondly there is reason to hope that a small number of abnormal sexual offenders may be helped by the use of hormone therapy as an adjunct to psychotherapy. This is an area in which pioneer work is being done in the prison medical service.

THE GENERAL RESPONSIBILITIES OF THE PRISON MEDICAL SERVICE

74. The prison medical service has a responsibility for the physical and mental health of all those in custody, and a responsibility to give advice on any aspect of their treatment, including living and working conditions, clothing, and diet. The prison medical officer may advise, for example, on the general type of regime most likely to suit a particular offender. The regular medical and psychiatric reports made on those serving life sentences are of great importance in deciding whether they can safely be released. (The note to Part IV deals with the procedures for considering the future of life sentence prisoners and the periods of time they should spend in custody.) A major responsibility of the prison medical service concerns unsentenced prisoners. Prison medical officers examine and report on the physical and mental health of those remanded in custody and awaiting sentence and offer such advice as courts may require. About 13,500 such reports were made in 1968*. For this work adequate diagnostic facilities and medical staff must always be available in local prisons and remand centres.

DEVELOPMENT OF PRISON HOSPITALS

75. The older prisons were built when the simplest physical care of offenders was the main task of the prison medical service. This situation has altered. Medicine itself has become more complex, and the current need is for the

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*In carrying out this work for the courts, as in some other aspects of their work, medical officers have the helpful co-operation of prison psychologists, whose general role in the service is discussed in paragraph 211.
expansion of selected prison hospitals to which patients can be transferred if they need treatment not readily available in their own establishment. Principal and Senior Medical Officers already supervise groups of smaller establishments to which they act as consultants and advisers. It is intended to develop the larger prison hospitals—by reconstruction or rebuilding if necessary—as group hospitals. These should be able to provide a fuller range of treatment facilities, especially in the psychiatric field, as well as making better use of valuable nursing staff; and they already have close and long-standing links with both N.H.S. and Teaching Hospitals.

PHYSICAL EDUCATION

76. Physical education and sport have always been seen as a valuable part of the regime in establishments for young offenders. Why not for adult establishments too? Here at present the facilities are often poor, but a start is being made. A new training centre for the initial and refresher training of physical education instructors, of whom the service now employs about 170, is to be developed at Swinfen Hall, and one of its purposes will be to make a detailed study of the ways in which physical education may assist offenders over the age of 40.

77. Where trained staff and adequate facilities are available, the physical education instructor can often help offenders who are not physically fit, by means, for example, of remedial gymnastics. Physical fitness is likely to help an offender in the daily routine of life in custody, enabling a man in a crowded local prison, for example, to come to terms with sedentary occupations making little demands on mind or body. Sport in prison can be more than an enjoyable form of exercise: it can provide the means of demonstrating a skill, and the offender who can prove to himself and to others that he has learnt a skill may improve his self-respect and gain acceptance in the eyes of other people. Not the least, physical education can assist the return of the offender to the community by helping to ensure physical competence to take up work outside.

EDUCATION AND VOCATIONAL TRAINING

THE PURPOSE OF EDUCATION

78. Education has been described as an aid to living. It has an important part to play in the life of the prison society, where, as in few other places where people are taught, the best teacher (as Sir Walter Raleigh said) is the one whose main interest is the scholars not the subject. Some prisoners will turn to it for the relief of boredom—to find that it pushes back horizons, occupies time in a personally satisfying way and increases self-respect. People in custody, as in society at large, include some who look to education for assistance in understanding themselves, their fellow men, and the world in which they live and work. At its most utilitarian level it provides a means of acquiring skills which will assist an offender on his return to the community.
THE PRESENT ARRANGEMENTS

79. Education for those in custody—remedial, academic, cultural, recreational, vocational—is provided by local education authorities at the invitation of the Prison Department. In the financial year 1968-69 the cost to the Department was just over £600,000. The local education authorities provide "tutor organisers", some full-time, some part-time, who are responsible for the education service in each establishment. There is a small but growing number of full-time teachers, but the great bulk of teaching is done by part-time teachers.

80. All offenders under 21 have to attend a certain number of classes each week, but adults are free to engage in education or not, as they please. Most of it takes place outside working hours. But daytime education is provided for those who lack the basic skills of reading and writing, and normal working hours have been used for promising experiments in general education for a few selected offenders, especially those capable of advanced academic work. Over 200,000 individual classes are held each year, covering a wide variety of subjects. They include academic and technical subjects which may in suitable cases lead to offenders obtaining nationally recognised qualifications, current affairs discussions and, not the least important, the encouragement of handicrafts and hobbies. Under the terms of an award founded by Arthur Koestler in 1962, prizes are available to people in custody for work showing talent in art, literature, and music. The publicity given to these awards, especially by the arrangement of an annual exhibition, has helped to make more generally known what can be achieved under this kind of encouragement. The Koestler Award was extended in 1969 to achievements in the field of vocational training and industry.

PLANS FOR THE FUTURE

81. The present administrative arrangements are largely those recommended by the Prisoners' Education Advisory Committee in 1947 and conceal a good deal of variation, as between one institution and another, in the effectiveness of the education provided; a variation due partly to differences in the facilities available, the kind of people in each establishment and their average length of stay, but partly also to differences in their approach to education. Education in custody is generally least effective when presented as schooling and most effective when treated in an adult way and presented informally to small groups.

82. In the light of changes in the penal system and in the organisation of "further education" outside, the Prison Department has started to re-examine the place of education in the treatment of offenders. An immediate result has been the amalgamation of the education and vocational training units. The aim is to develop them under the guidance of a chief education officer into a "further education" service as that term is understood in the public system outside. The Department is also seeking closer co-operation with local educational authorities, especially in the adult and further education fields, and liaison with voluntary bodies and with teachers' organisations is being strengthened. A review of the recruitment, conditions of service, duties and training of full-time and part-time tutor organisers and teachers has already been made.
83. The education service, especially in adult establishments, needs better accommodation, furniture, teaching aids, and equipment, although the claims for these have to be balanced against other claims. But most important is the need to relate a prisoner's education more closely to all other aspects of his treatment: an aim that is easier to state than to achieve. On the one hand, one of the strengths of a further education service is its voluntary character. Within the confined life of a closed institution, offenders benefit from taking part in activities which appear to have no direct connection with the rest of the regime. On the other hand, an offender's education, especially where it involves the acquisition of particular skills, or includes teaching to certain academic standards, ought to be closely related to his prospects after release.

**VOCATIONAL TRAINING**

84. Offenders are prone to believe that the difficulties that got them into prison will not recur on release if only they can be given a vocational training course. Often, therefore, they plead for inclusion in such a course without realising what is involved. A vocational training course will in the long run help an offender only if (a) it is within his capacities, (b) it provides a skill which will assist him in obtaining better employment on his release, and (c) he will have the opportunity, ability and determination to find and retain such employment. For many offenders, the shorter periods of training, for example in building work, described in paragraph 61, are more suitable. Nevertheless for a minority of offenders a vocational training course leading to an acknowledged qualification, such as that of the City and Guilds of London Institute, is valuable and appropriate. The Prison Department runs about 100 such courses a year. Most are in borstals. They are spread over 19 trades, including plumbing, welding, and electrical installation. In the financial year 1967-68, 897 people entered for public examinations at the end of these courses; 675 were successful.

**RELIGION AND SOCIAL WORK**

**WORK OF THE CHAPLAIN**

85. In the past the chaplain has pioneered much of the educational and welfare work among people in custody. The appointment of welfare officers, tutor organisers, and assistant governors has progressively relieved chaplains of such demands and given them a new freedom to develop their own contribution to the treatment of offenders. There are those who argue that, as a chaplain is responsible only for the spiritual welfare of the offenders, he should restrict himself to giving spiritual advice and interpreting religion in a narrow sense. The chaplains reject this view and increasingly regard themselves as members of a team of people concerned to help offenders. Training, in which chaplains and all ministers of religion share, is designed to help them to take their part with others who are seeking to affect the attitudes and behaviour patterns of the offender. The chaplain makes his own particular contribution and in addition to leading worship and administering the Sacraments he can meet offenders as individuals and remind all in the prison service of the uniqueness of each individual man or woman in his charge.
86. Increasingly, Britain is a multi-racial society, and offenders of different races and religions are committed to custody. In consultation with representatives of these groups in the community arrangements are made to enable prisoners of non-Christian religions to comply with the tenets of their faith in matters of dress and diet.

SOCIAL WORK

87. There is a particular place for the professional social worker. After considering a report by the then Advisory Council on the Treatment of Offenders, to which further reference is made in Part IV, the Government decided that from 1st January 1966 prison welfare officer posts should be filled by probation officers on secondment for limited periods. Prison welfare officers previously appointed became probation officers on that date and since then fresh appointments have been made by the secondment of serving probation officers. The number of posts is now about 200, double the 1966 figure. On 1st January 1969 the probation and after-care service were also made responsible for filling the social worker posts that had already been created in detention centres, remand centres and borstal allocation centres; and, like the prison welfare officers three years before, those in post became probation officers.

88. The welfare officer or social worker has an obvious role in giving immediate and “first aid” help with the welfare problems of offenders coming into custody, in acting as the focal point of social work in the institution, and, as explained in Part IV, in providing a link—throughout the man’s sentence—between the institution and the members of the probation and after-care service working in the community. In many establishments, especially the local prisons, sheer numbers do not yet allow the prison welfare officer to undertake case work in any great depth. But at three prisons in the Midlands the number of welfare officers has been substantially increased as part of an attempt to assess the place of social work in prisons. The experiment is linked with research studies by the Home Office Research Unit, and although the results are not expected for at least another 18 months these investigations and the experiment itself have already helped to identify many of the problems of administration and organisation that need to be solved.

SOCIAL TRAINING

89. Previous paragraphs have described ways in which an offender during his sentence may receive help towards his rehabilitation and ways in which he may be encouraged to help himself. But if an offender leaves custody thinking only of himself he is unlikely to find a place in a society in which no-one can escape obligations to other people. Our forefathers were perhaps more confident than we that they knew how moral teaching should be given in prisons. The need for such teaching has not diminished, and the offender needs the opportunity and the encouragement to help other people. He can help those inside the institution and in many cases can also help those outside it. Offenders are often very generous, and their generosity can take the form, for example, of making toys for handicapped children. In borstals it is possible to go much further; most
Borstals maintain close links with other establishments in their areas such as Cheshire Homes, psychiatric hospitals and old people's homes, and the young offenders visit these establishments and offer a range of practical and willing help. Detention centres, also, have recently been encouraged to find ways in which boys can give help to the community. Such voluntary work helps the people to whom it is given. But more profoundly, and sometimes more permanently, it helps those who give it. "One must be poor", as George Eliot said, "to know the luxury of giving."
IV

OFFENDERS AND THE COMMUNITY

FAMILY TIES AND LINKS WITH THE COMMUNITY

90. Most of the offenders who leave custody each year and return to the community have spent less than a year "inside". Those who have had the custody of them have increasingly realised the need to see the period inside as an interval between two periods outside, and not the other way round. This Part shows some of the methods that are used to help the offender in custody to see himself as still a member of society, to preserve his vital links with wife and family, and to assist his reabsorption into the community.

LETTERS

91. The limits that are still placed on the number of letters, and the number and length of visits, reflect the demands on staff resources for censorship and supervision, and the lack of space in visiting rooms. In this sphere, as in all too many others, it is the prisoner in the overcrowded local prison whose deprivations are the most severe. There are security and general reasons why the censorship of letters is necessary, but the Government has reviewed the rules, and in training prisons a man may now regularly write three letters a week, on two of which he himself meets the cost of postage, and receive the same number.

VISITS

92. In local prisons priority has to be given to visits to those who are on remand or who have appealed. Because of this, and the poor visiting accommodation, other prisoners may have to be limited to a visit lasting half an hour every four weeks. The Government does not regard this as sufficient. At other establishments longer visits are possible, and , at some, visits are now allowed every fortnight. Although many visitors still have to travel considerable distances, and may welcome help from volunteers in transport for the journey or in looking after the children, the decision to allocate as many men as possible to establishments within a Region* has done a good deal to make the visiting of long-term prisoners less difficult. So has the recent change which has enabled those in receipt of supplementary benefit, and others not in full-time employment who are equally badly off, to be assisted each month with the expenses of visiting a relative in prison, and not once in two months as previously. The governor can grant additional letters and visits when there is a special need for them to help a family to meet a domestic crisis.

*See paragraph 170.
FAMILY PROBLEMS

93. It has been said that if prisoners share a single common factor it is their propensity to attract problems to themselves; and they are usually family problems. The prisoner can seek help from the prison welfare officer and through him from the probation and after-care service outside. He is seen, anyway, by the welfare officer soon after reception, and his immediate domestic problems can be referred if necessary to a local probation officer—often in touch with the family already and likely to remain so throughout the sentence. When the family goes to the prison on visits, the welfare officer will often be available to discuss their problems. We are a very long way from being able to provide for all prisoners and their families the skilled social work that they may need, nor, indeed, have we yet discovered how this type of social work is best done in the prison setting, but progress has been made.

CREATING NEW LINKS

94. Some of those in custody are so isolated that they have no ties with family or friends. To such men the work of over 750 prison visitors who regularly visit prisons is invaluable. Prison visitors were among the pioneers of voluntary social work in prisons and the unique appeal of the prison visitor remains—as one of them once put it—that “he is unpaid and comes to the prison because he wants to and for no other reason”. Where there are no existing ties to preserve, the attempt is made to forge new ones. Various methods are being tried. At some prisons, for example, the governor will put an isolated offender in touch with a voluntary “associate”, a man willing to attempt to build up a personal relationship with him both during sentence and after release. At others the local probation and after-care service has taken the lead in making similar arrangements.

YOUNG OFFENDERS

95. The previous paragraphs have been concerned primarily with the inmates of prisons. In borstals it has always been recognised that the young offender must be kept in touch with his family. Throughout the sentence there is direct contact between the training borstal and the probation officer who is going to be responsible for the supervision of the offender when he goes out on licence. In detention centres the problems are different because of the shortness of the sentence, but a social worker in each centre helps the young offender to keep in touch with his family by writing to them and by encouraging visits, and is in regular contact with local colleagues in the probation and after-care service who will supervise him after release.

HOME LEAVE

96. Another way of enabling someone in custody to preserve links with family or friends, or to make new contacts with people who may be able to assist him on release, is to allow him to visit them. It has long been the practice to allow young offenders at borstal a period of home leave towards the end of their training. Similar arrangements have existed at some training prisons and for long sentence prisoners. The Government has recently introduced an extension of home leave so that prisoners serving sentences of three years or over in training prisons are
now considered for two periods of home leave in the last year of their sentence. Prisoners serving two years and less than three will be considered for one such period. Further extensions of this scheme will be considered when the effects of the new arrangements have been assessed. The Government believe that the granting of home leave in suitable cases is the most promising way of assisting people in custody to maintain their family relationship. It believes this is a preferable alternative to allowing what are called “conjugal visits” by wives. There are manifest difficulties in providing acceptable conditions for such visits and a real risk that their artificiality would, on balance, do more harm than good to the marital relationship.

**THE PERIOD BEFORE RELEASE**

97. Almost every prisoner needs practical help in the period immediately before release (though not all will accept it). Whether or not the released prisoner is going to be subject to supervision on release, the prison welfare officer can assist him in finding accommodation before he leaves custody. The Department of Employment and Productivity will always help offenders to find jobs, and representatives of that Department regularly visit institutions to interview offenders and to try to place them in employment. All those at borstal, and all prisoners who have served long sentences, are given a full set of clothing on discharge; but these and other practical steps, though important, meet only part of the problem. An offender leaving custody may also face emotional and psychological problems, the nature of which will vary with his temperament and circumstances and the length of time he has been in custody. It has long been recognised that someone who has spent any considerable period in any closed community (not only a penal institution) may have difficulty in making the adjustment to life outside, and the aim has been to find various ways of making the change from incarceration to complete freedom more gradual. In borstal, the basis of training has always been the gradual widening of the offender’s responsibilities and the range of choices open to him, and the lessening of control towards the end of the period in custody is often accompanied by a move from one borstal house to another. Likewise it is fairly common for a prisoner serving a long sentence, including a life sentence, to be transferred to an open prison towards the end of that sentence.

**PRE-RELEASE EMPLOYMENT SCHEMES**

98. Long sentence prisoners may be gradually re-introduced to freedom by leaving the prison every day during the last stage of their sentence and working for a private employer. Any prisoner serving a sentence of 4 years or more (including one serving a life sentence who has been given a date of release) is now considered for outside employment on such a scheme. The detailed arrangements vary slightly (and experimentally) from one prison to another; but in essence, a man who is selected for the scheme is allowed to take work outside the prison for about the last six months of his sentence. He may live in normal accommodation within the prison, or he may live in a hostel that is separate from, though within the perimeter of, the prison from which he goes out to work.
daily. Plans are also being made for opening the first hostel to be physically separated from its parent prison as recommended by Lord Mountbatten in his report on prison security. The hosteller works for a private employer as if he were a free man, receiving normal wages, and meeting people outside the prison environment, and he is able to resume some of the obligations of a free man for example by supporting his family. At the same time the prison staff can watch his progress. When the hostel scheme first started at Bristol prison in 1953 it was designed for men sentenced to preventive detention who were in the last months of their sentence. Some of these men had spent many years in custody on successive sentences and were so accustomed to life in an institution that they found it extremely difficult to cope with life outside. The scheme has greatly expanded since then and all long sentence prisoners, including men serving their first period in custardy, are now eligible for consideration. There is a similar scheme for women. The main purpose of the scheme remains that of aiding the re-adjustment of people who may have spent long periods of their life in institutions.

**SELECTION**

99. It is not possible for all long term prisoners to work for outside employers in this way. Some men will have shown, perhaps by the nature of their offences, perhaps by their behaviour in prison, that they are not suitable. But each case is considered on its merits by the governor of the prison, who is advised by a selection board consisting of members of the prison staff who know the man, representatives of the Board of Visitors or Visiting Committee, and a representative of the Department of Employment and Productivity. The aim is to place those selected near their homes or near where they intend to settle after release. About 1,000 prisoners a year are eligible for consideration for this scheme, and about two thirds of those eligible are selected. There are about 375 places available at any one time. 75 of these places are at Pentonville, 48 at Wormwood Scrubs and 46 at Wakefield. The remaining 200 places are divided among 18 other establishments in various other parts of the country.

**SAVINGS**

100. It is implicit in this gradual re-introduction to freedom that a prisoner is not given complete control of his weekly wages. The first call on his income is the amount, if any, being paid by the Department of Health and Social Security for the maintenance of his dependents. Then a charge is made for his board and lodging in the prison. He retains any money necessary for fares and lunches, and also up to 30s. as pocket money. The remainder—a minimum of £1—must be saved. Thus a man supports his family, has normal responsibilities, and also saves money towards discharge at a rate which usually means that he leaves custody with at least £25, and maybe a good deal more. When the man’s wage is insufficient to support both his family and himself, it is possible to help him by abating the board and lodging charge and by other subsidies. He is allowed weekend leave to visit his home, and a certain degree of freedom during the evenings.

**RESEARCH**

101. The Home Office Research Unit is undertaking research into the effects of the scheme. The research covers selection, men’s behaviour while in a pre-
release hostel, the attitudes of men and staff to the scheme and a comparison of offences and work records before and after the sentence. Provisional results indicate that those who successfully completed the hostel period were slightly less likely to be reconvicted after final discharge than if they had been released direct from prison and that these men seem better able to maintain themselves in work.

AFTER CARE

102. The development of after-care has followed a pattern to be found in this country in many other services aiming to help people in need. It had its beginnings in voluntary effort in the nineteenth century; it was continued in the twentieth by voluntary organisation, in partnership with public agencies: and it has now become the responsibility of a statutory service—the probation and after-care service. At the same time, and here again the pattern is not unique to after-care, the total task is not one which any statutory service can tackle unaided. The help of members of the community is needed, working under the guidance of trained professional workers.

THE NEW ORGANISATION

103. The major changes of the last few years were foreshadowed in 1963 by a report from the Home Secretary's Advisory Council on the Treatment of Offenders. This recommended that professional social workers should be employed on after-care, both in penal institutions and in the community, and that there should be a greater use and involvement of community resources in the rehabilitation of offenders. These recommendations were accepted. The enlargement of the probation service into a probation and after-care service was given formal effect in the Criminal Justice Act 1967. The Government also decided that social workers in prisons and detention centres should belong to, and be drawn from, the probation and after-care service. (The present arrangements for borstal after-care are dealt with in Part VI.) By 1967 therefore the foundations had been laid for a unified professional after-care service.

OFFENDERS LIABLE TO RECALL

104. Offenders who were under 21 when sentenced are subject to supervision in the community after release from custody. So are (a) those adult offenders granted early release on licence under the new parole scheme referred to in paragraph 114; (b) those subject to an extended sentence (whether paroled or not); and (c) those released on licence from a sentence of life imprisonment. For offenders in these categories, supervision in the community is part of the sentence; and the sanction of recall to custody exists in the event of failure to observe the terms of supervision. Apart from these, most adult offenders are not subject to recall or to compulsory after-care, but they are encouraged by prison welfare officers to take advantage, voluntarily, of the after-care that is offered.

THE PURPOSE OF AFTER-CARE

105. The aim of after-care, whether or not it is backed by the sanction of recall to custody, is not only to assist the offender on his return to society but also to
give him continuing help with fundamental problems that may have got him into trouble. The licence provides an element of control and stability during the period of resettlement when an offender is at greatest risk. Used imaginatively, it can set limits whilst the individual builds up his own controls; for in this process of re-adjustment after-care gives the offender the help of a skilled caseworker who will not only assist him directly but may also mobilise on his behalf the resources of the community provided either by statutory or voluntary agencies or by individuals.

**THE WORK OF THE PROBATION OFFICER**

106. If the offender is to derive the maximum benefit from after-care, its foundations need to be laid early in his sentence. It is easier to do this if the offender or his family have already had some contact with the local probation and after-care service. More and more often, a probation officer will have seen the offender while he was making a social inquiry for the court before sentence. After sentence the probation officer at the court tries to see him to discuss any urgent domestic or other problems with him, and to make sure that, if he has a wife and family, they are given help and advice while he is in custody. So far as is practicable, and this depends on the availability of staff as well as on the attitude of the family, contact is maintained both with the family and with the prisoner during sentence, and the probation officer will try to visit the prisoner before his discharge to discuss plans for his future.

107. Which would be the more effective, voluntary after-care on a more intensive scale or compulsory after-care for more and more offenders? There is evidence that the approach described in the previous paragraphs is providing the answer. With the encouragement of the probation and after-care service, and, in particular, of the prison welfare officers, more adult prisoners are making use of "voluntary after-care" facilities. In 1966, the first year in which the probation and after-care service became fully responsible for it, 18,522 prisoners had some contact with the service after release. In 1967 this figure increased to 22,441, contact being maintained also for longer periods. This trend continued in 1968 and it may well be that experience will confirm that it was right to have contemplated the extension of voluntary after-care rather than a general extension of compulsory after-care to larger groups of adult prisoners.

**OTHER AGENCIES**

108. Because the probation and after-care service is a nation wide service, the probation officer being equipped by his training to carry out this form of social work, it is right that the major contribution to after-care should be made by that service, and by probation officers in the districts to which offenders go on release. The work of the service can and should, however, be supplemented in various ways, including the continuing interest of members of the prison service in former offenders. At a few establishments members of the staff who have been concerned with individual offenders have been encouraged to maintain contact with them after discharge; and this is particularly appropriate where the staff have developed special skills in the handling of disturbed offenders and have won their trust.
VOLUNTARY EFFORT

109. As indicated in paragraph 102 the individual citizen will always have a part to play in the many social services that aim to help people in need, and nowhere is this more so than in achieving the main object of prisoners' after-care: the reintegration of the offender within the community. In 1965 the Government appointed a Working Party under the Dowager Marchioness of Reading to advise on the best possible use of this voluntary effort, and it has produced two valuable reports.

110. Probation officers are increasingly recognising the value of volunteers, of whom there are now over 1,200 working actively in conjunction with the probation and after-care service. They provide a wide range of support—from baby-minding during prison visits and collecting prisoners' luggage, to the long-term befriending of wives and families during the prisoner's absence and of the whole family after his release. The work of such a volunteer, or "associate" as he is more usually called, can best be summarised as the provision for an ex-prisoner of someone who will befriend him, knows and accepts his story of past failure, and is willing actively to help him to a more successful future. It is someone to whom he can turn for guidance and advice on matters often outside the range of the official agencies, and whose help is sometimes as simple as the filling up of a form, the drafting of a letter, or the making of a telephone call. The "associate's" main strength lies in the fact that he has a status which his protegé has temporarily lost, and that he is willing to use it for his protegé's benefit; for the latter's biggest loss is usually his self-esteem, the most profound consequence of imprisonment. A housing society has been formed to help to prevent the break-up of families as a result of imprisonment, and many other voluntary societies and trusts are finding ways of helping ex-offenders, including helping them to find jobs, and of providing the financial means. Supplementary financial support is provided by the Home Office for approved organisations undertaking such work.

AFTER-CARE HOSTELS

111. A particular field in which voluntary organisations have always taken a leading part is the provision of hostels for offenders. The substantial number of offenders who have nowhere to go on release obviously face special difficulties, and experience shows that they are very likely to return to prison, often after conviction for comparatively minor offences. The Government decided, having considered a Report by the Working Party mentioned in paragraph 109 that it was right to retain the voluntary and non-official character of after-care hostels, which is known to make them more acceptable to those who would use them, but also that Government financial help should be made available to them.

FINANCIAL PROVISION

112. Grants have accordingly been given since 1965 to those hostels which provide personal help and support for offenders in addition to reasonable standards of board and lodging. The condition of grant is that the offenders in the hostel have been discharged from custody in the preceding twelve months or are subject to compulsory supervision. The grant is designed to help to meet the difference between contributions from residents to their board and lodging and the running costs of the hostel. The annual grant per place was increased from
£100 to £125 in April of this year. The Government also recognised the difficulties facing hostels which aimed to give continued support to certain groups of former prisoners with special problems—for example, alcoholics—and a higher annual grant with a maximum of £200 per place for hostels meeting these special needs, introduced in 1968, was increased to £225 on 1st April of this year. At present 72 such hostels receive grants in respect of 774 places for former prisoners.

113. Some voluntary bodies have not found it easy to raise the capital needed to build or extend hostels. In 1967 a Housing Association was formed to acquire, convert and hold properties to be managed by voluntary bodies as after-care hostels. It is run by an honorary committee, but the Home Office has made grants to meet administrative costs and to provide some working capital. It can obtain grants and loans from local authorities on the same basis as any other housing association. The Government hopes to see a considerable increase in this kind of hostel provision for former prisoners in the next few years.

PAROLE

OUTLINE OF THE SCHEME

114. Under section 60 of the Criminal Justice Act 1967, every prisoner serving (in effect) a fixed sentence of imprisonment of over 18 months is eligible for consideration for parole when he has served one third of his sentence, or 12 months, whichever is the longer. Unless he specifically declines the opportunity, each prisoner who is eligible for parole has his case considered by a local review committee at the prison in which he is detained. The committee reports to the Home Office, and all cases in which a committee thinks a prisoner suitable for parole are now referred by the Home Office to the Parole Board. Additionally, some cases are referred which the local committee has not deemed suitable. No prisoner may be released on licence unless the Board recommends release to the Home Secretary.* The licence prescribes the conditions with which the prisoner must comply while on parole, and the Board has statutory responsibility for advising the Home Secretary what these conditions should be. Where a man on parole is in breach of the conditions of his licence, the Home Secretary may refer the case to the Board which considers whether he should be recalled. (If the recall is urgent, the Home Secretary may authorise it himself, but the case has to be considered by the Board as soon as possible).

RESULTS SO FAR

115. The Parole Board, under the chairmanship of Lord Hunt, began considering cases in November 1967 and the first prisoners were released on licence on 1st April 1968 when the relevant provisions of the Act came into force. The Board is an independent body, and in its initial report† it gives a full account of the first year’s work and that of the local review committees. By 30th September 1969 the Home Secretary had accepted the Board’s recommendation to release 2,500 prisoners on licence. Only 91 of them had to be recalled during this period. The Government believes that the results so far achieved, and the very small number of offenders whose licences have had to be revoked, are encouraging and go far to justify the hopes expressed when the scheme was introduced. The following table gives the figures in more detail:

*See note at the end of this Part about life sentence prisoners.
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</thead>
<tbody>
<tr>
<td></td>
<td>Prisoners Eligible on 1st April 1968 When scheme started</td>
<td>First Review of Prisoners Eligible after 1st April 1968</td>
<td>Second Review of Cases in A or B</td>
</tr>
<tr>
<td>1.</td>
<td>Prisoners declining to be considered</td>
<td>417</td>
<td>649</td>
</tr>
<tr>
<td>2.</td>
<td>Considered by local review committee</td>
<td>4,347</td>
<td>8,948</td>
</tr>
<tr>
<td>3.</td>
<td>Not recommended by local review committee</td>
<td>3,315</td>
<td>6,376</td>
</tr>
<tr>
<td>4.</td>
<td>Recommended by local review committee</td>
<td>1,032</td>
<td>2,572</td>
</tr>
<tr>
<td>5.</td>
<td>Total sent on to the Parole Board by the Home Office*</td>
<td>541 (61)</td>
<td>2,741 (169)</td>
</tr>
<tr>
<td>6.</td>
<td>Not yet decided</td>
<td>—</td>
<td>444</td>
</tr>
<tr>
<td>7.</td>
<td>Not recommended for Parole by the Board</td>
<td>80</td>
<td>548</td>
</tr>
<tr>
<td>8.</td>
<td>Recommended for Parole by the Board</td>
<td>406</td>
<td>1,626</td>
</tr>
<tr>
<td>9.</td>
<td>Recommended by the Board for later consideration but before the next formal review</td>
<td>55</td>
<td>123</td>
</tr>
</tbody>
</table>

* The figures in brackets which have been included in the totals are of cases not recommended by the local review committees.
A STAGE IN REHABILITATION

116. It is only a minority, although an increasing minority, of prisoners who are found suitable for parole. For them release on licence represents an important stage in the process of rehabilitation, a stage during which an offender who would otherwise be still in prison is assisted to resettle in the community with the help and supervision of a probation officer. In considering whether a prisoner is suitable for release the local review committee, the Home Office, and the Parole Board need to know about his past record, the circumstances of his offence, his social background, his general attitude and response in prison, and his probable circumstances on release. In the past these matters have often been looked at in isolation; the home conditions and the likely circumstances on release have appeared to be the concern of the probation and after-care service, and the offender’s time in custody the concern of the prison service. The introduction of the parole scheme has made more apparent than ever the need for a continuity of approach and treatment. This has led the prison service to keep better records of the information available about each prisoner who will become eligible for parole. Even more important, it has reminded all those who deal with the prisoner of the need to look outwards towards his return to the community and not to see a spell in custody as a self-contained episode.

THE PROBATION SERVICE AND PAROLE

117. Members of the probation and after-care service provide information about an offender’s social background both at the time of his conviction and when he is being considered for parole. Reports by the prison welfare officers are available to local review committees and to the Parole Board. When it has been decided that an offender should be released on licence, the arrangements for his release are discussed between the prison welfare officer and the probation officer who will be supervising the offender after release. The probation and after-care service thus plays an essential part in the earliest stages of a man’s preparation for release, as well as giving him skilled assistance during the period of supervision.

RESEARCH

118. There is no doubt that the introduction of the new arrangements has affected the attitudes and responsibility of the prison service and of the probation and after-care service, and has had the incidental but valuable effect of strengthening the co-operation that was growing between them. It is too early to judge the success of the new legislation in its primary aim of assisting the resettlement of offenders. Research is being carried out on the effect of the scheme on all prisoners eligible for parole and also into the methods of selecting prisoners for release.

THE EFFECTS IN THE PRISON

119. Account must also be taken of the effect of the scheme on the majority of prisoners who are not granted early release. In 1968 there was some anxiety lest refusals might not only embitter the individuals concerned but also have an
adeverse effect on the general atmosphere of the prison. These gloomy forecasts have not been fulfilled. The prison staff dealing with men serving very long sentences who are not suitable for parole have the difficult task of helping them to come to terms with their situation, but the provision for regular review means that the prisoner serving a long fixed sentence need not feel that all is lost if as a result of a review he is not released on licence. His case must be reviewed again after 12 months—provided that a month or more on licence would still be possible—and may be reviewed after a period shorter than this. Parole has already become an accepted part of the prison scene, viewed with hope or cynicism according to the temperament of the offender, but offering the possibility to many that they can affect their own future by their own efforts.

NOTE TO PART IV

Life Sentence Prisoners

The previous paragraphs, and the figures given in them, have referred only to prisoners serving fixed sentences of imprisonment. The Parole Board also advises on the release of life sentence prisoners (or persons detained during Her Majesty’s Pleasure). Because these sentences are indeterminate and the risk to the public potentially greater, the release of such prisoners is governed by a somewhat different procedure. Each case is carefully considered at an early stage and a date is fixed for review, normally after four years, though in rare cases a review may be held earlier. This review at four years is carried out in the Home Office, its main purpose being to decide whether, exceptionally, the local review committee should be asked to review the case within the following two years. Such a review is unusual. The usual practice is to seek the views of the local review committee after an offender has served seven years whether or not it appears likely that a provisional release date can reasonably be fixed. (Such a date is usually fixed a year in advance.) The Home Office considers the case and forwards it to the Parole Board whether or not the committee’s recommendation is favourable. The Lord Chief Justice, and the trial judge if available, must by law be consulted before any prisoner in this category is released. The note on page 000 deals with the actual periods likely to be served in different cases.
ASSessment and research

Introduction

120. This White Paper has now described some of the work of the prison service and some of the methods used in the treatment of offenders. What results are being achieved? Some things can be measured: the rise in the output of prison industries or the fall in the number of escapes. But we have no effective means at present of measuring other things: the value, for example, of the educational programme of a borstal, or of the psychiatric treatment provided in a prison. Nor have we the means of estimating the cost to the community of the crimes that the offender might have committed had he not been confined to custody. We must try through research and the use of new financial and economic techniques to find ways of evaluating the results of the prison system as a whole, but this is not an easy task and we are a long way from being able to make such comprehensive assessments.

121. Nor can one generalise about the effect on offenders of their treatment in custody. The testimony of those offenders who write books and articles about prisons is not necessarily representative, or even accurate, although it cannot be ignored merely because it is not in general flattering to authority. A more favourable picture can be drawn by using the testimony of those offenders who express appreciation of efforts made by the staff to help them, but it would be equally unwise to place too much reliance on them. We must also remember, and this is the vital importance of after-care, that it is what happens to an offender after he has left custody, rather more than what happened to him in custody, that may determine whether or not he returns to crime.

Reconviction rates

122. Information can and should be collected about how many offenders are again convicted after release. There are, however, certain weaknesses and limitations about the use of "reconviction rates" as a means of measuring the results of a form of penal treatment. It must never be assumed that an offender who goes straight after release does so because of what happened to him in custody. Nor must it be assumed that an offender has gained no benefit from his treatment in prison or borstal because he again comes before the courts. His reconviction may be for a relatively minor and isolated offence as a result of which he may not return to custody and which may not prevent him from becoming an acceptable and useful member of society. Finally, because offenders, even those serving similar sentences, vary so widely in their temperaments, backgrounds, and criminal or non-criminal careers, an average reconviction rate may conceal such wide variations as, of itself, to be of little significance.
123. All this should be borne in mind in considering the information given in the following paragraphs. The figures given come from a combination of statistics now obtained by the Home Office Statistical Division and the results of special research by the Home Office Research Unit*.

ADULT OFFENDERS

124. There are no figures yet available to show the average reconviction rates of all adults released from imprisonment. Indeed they form so heterogeneous a group that such general figures would hardly be useful. The following information is based mainly on records of adult men released from sentences of over 18 months' imprisonment during 1965. Slightly more than half the men who have served sentences of more than 18 months for an indictable offence are reconvicted within two years of release from prison. Only a small, and diminishing, number of offenders are now sent to prison for a first offence. Of these first offenders, 90 per cent are not reconvicted within two years of release. At the other extreme, more than two-thirds of persistent offenders released after serving sentences of 4 years or more are reconvicted within two years of release.

YOUNG OFFENDERS

125. There are also a wide variety of young offenders in custody at any one time, ranging from a few with no previous convictions to those who have often offended before; and some of the latter will already have experienced the full range of methods at the disposal of the courts. The figures† show that, on average, between 55 per cent and 60 per cent of young offenders released from senior detention centres are reconvicted within three years. So are about 70 per cent of those released from borstal. Of the young men released on licence from prison after sentences of over three months about 75 per cent are reconvicted within three years.

126. These are average figures, and it is the general experience with offenders of all ages that first offenders are less likely, and offenders with several offences are more likely, than the average to offend again. About one in eight of the boys at detention centres and one in thirty of those at borstal were first offenders, and the information available suggests that the reconviction rates for these first offenders were in each case about 20 per cent lower than the averages given in the previous paragraph. So, for example, only 40 per cent of first offenders released from senior detention centres were reconvicted within three years.

127. On the other hand, young offenders with a series of previous convictions could be expected to have reconviction rates worse than the average. A court dealing with an offender under 17 is nowadays unlikely to make an approved school order until the boy concerned has appeared before the courts on several occasions; similarly borstal or imprisonment are sentences given to the more persistent offenders.

*While a good deal of statistical information is available about offenders sent to detention centres and borstals the information about prisoners has in the past been inadequate. The Home Office Statistical Division have introduced new systems which should provide better statistical information in future not only about the reconviction rates but for other purposes.

†Because of the use of the three year "follow-up" period, the latest figures available are those for offenders released in 1965 and for reconvictions up to 1968.
serious offenders, many of whom have experienced the range of institutional sentences available to the courts for juvenile offenders. It is not therefore surprising that young offenders for whom past institutional treatment has already proved unavailing should have reconviction rates which are 10–15 per cent higher than the appropriate averages quoted in paragraph 125. Thus as many as 80–85 per cent of young men released from borstal with past experience of juvenile institutions were reconvicted within 3 years.

128. To some these reconviction rates will seem dauntingly high; they certainly reflect the measure of the problem which the staff in detention centres and borstals have to face and live with. But it is right to see the figures in positive terms. The following table summarises the information in the three previous paragraphs in terms of the proportion of young offenders who were not reconvicted within three years of leaving a senior detention centre or borstal.

<table>
<thead>
<tr>
<th>Type of Offender</th>
<th>Percentage NOT reconvicted within three years of leaving</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Offenders (a)</td>
<td>Detention Centres: 60–65  Borstals: 50</td>
</tr>
<tr>
<td>Offenders with several offences who had previously attended approved schools (b)</td>
<td>Detention Centres: 30–35  Borstals: 15–20</td>
</tr>
<tr>
<td>All offenders</td>
<td>Detention Centres: 40–45  Borstals: 30</td>
</tr>
</tbody>
</table>

(a) The proportion of first offenders among those received into detention centres and borstals was 12 and 3 per cent respectively.

(b) These offenders accounted for 11 and 35 per cent respectively of all receptions at detention centres and borstals.

129. Changes in the type of offender sent to custody are likely to produce changes in the reconviction rates for that type of custody. An apparent worsening in the records of those released from borstal may therefore be due to an increased proportion of young men who reach borstal only after the courts have tried other methods of dealing with them. Allowance can be made for these changes and calculations done of the number of the various groups of offenders who, in the light of experience, can be expected to be reconvicted. When the necessary allowances have been made, the changes in the reconviction rates of young offenders released from custody are seen to be in line with changes in the type of offender committed to custody in the last few years.

**PERSISTENT OFFENDERS**

130. What really matters to the community is not so much the number of young offenders who are reconvicted on one occasion after release as the number who repeatedly commit further offences and end among the hard core of the persistent adult offenders. Of the 70 per cent of those released from borstal who are reconvicted, perhaps one fifth to one quarter are reconvicted only once and thereafter stay clear of further trouble. Those young offenders most likely to continue in a life of crime are those who are first found guilty at an early age. Any study of adult prisoners shows a high proportion of those whose criminal
career started early and even, for example, among long sentence prisoners at
Dartmoor, a record of early offending and early institutional experience con­
tinues, statistically speaking, to increase the chances of reconviction many
years later. This persistent recidivism, whose roots may go back to an offender’s
childhood, illustrates the importance of the measures which the Government is
taking to deal more effectively with offenders under 17. It also represents the
most intractable problem confronting the prison system of this and other
countries, on which much more work needs to be done.

RESEARCH

131. To find other answers to the question “what is achieved” we must turn
to the results of research. It is not the purpose of this White Paper to attempt
a summary of the present state of knowledge in penology and criminology;
these disciplines cover a very wide field of which research on custodial sentences
(particularly prison sentences) constitutes as yet a relatively small part. It seems
appropriate, however, to give a brief outline of the main aims of such research,
some of the conclusions suggested by the results so far obtained, and a short
summary of future plans.

AIMS

132. The aims of research on custodial sentences may be set out as follows:

(a) It is generally agreed that imprisonment, or any custodial sentence,
may serve several purposes: for example, protecting the public by
keeping offenders segregated from the community; acting as a deter­
rrent to potential (or actual) criminals; and providing an opportunity
for reform or rehabilitation. Investigation of the extent to which all
these purposes are fulfilled or could be better fulfilled should be the
main object of research in the prison system; and it is the last of them
that requires the greatest research effort.

(b) Research, then, has to evaluate the effectiveness of imprisonment
compared with other kinds of sentence—-fines, probation and so on—­
and also has to study the relative value of various methods of dealing
with different types of people serving custodial sentences. Older,
well-established routines have to be studied, as well as newer and more
promising techniques suggested by experience or by the results of
research itself.

(c) Continuing observation and assessment of the organisation and
management of the prison system is needed if research is to be of real
value to it. Such work includes the collection and transmission to
management of information about the working of the system, includ­
ing the study of communications and the structure of responsibility,
the way in which staff are employed and their roles vis-a-vis the
prisoners.

CURRENT STATE OF RESEARCH

133. The Note at the end of this Part lists some investigations being carried
out. The list is not comprehensive, but indicates the main areas of current
research. A broad, imprecise distinction can be drawn between descriptive research (the attempt to state with authority what is happening—a task not as easy as it sounds) and evaluative research (the attempt to assess the results of what is done).

134. The greater part of research effort so far has been devoted to attempts to evaluate the effects of different kinds of sentence on offenders’ subsequent criminal careers. The fact that a known proportion of discharged prisoners are not convicted again does not of itself tell us anything about the efficacy of the way in which they were treated in custody. We need to estimate, for we can never know, what would have happened to a prisoner if the court or the prison system had dealt with him in some other way. We can attempt this by comparing the subsequent criminal records of similar groups of offenders given different sentences or allocated to different kinds of routine or regime. A difficulty immediately arises. Such comparisons would be completely valid only if the individuals in the experiment had been allocated randomly to the different sentences or regimes in the first place. This is something that, for obvious reasons, is not ordinarily possible. The alternative is to make statistical corrections for relevant differences between the groups before making the final comparison.

135. Investigations carried out so far suggest that fairly crude measures of an offender’s past criminal history have a closer statistical association with his future criminality than either the decision of the court or what happens to him in custody. This suggests that prison or other penal measures have only a limited beneficial effect on offenders, but it may also mean that we have not yet learnt to select the best way of treating different types of offender, so that bad effects on some cancel out the good effects on others.

136. Much further work remains to be done in order to see whether differences in the personality and social backgrounds of criminals can be used effectively to make some broad classification for the most hopeful forms of treatment. Such research may also suggest new and better forms of treatment, and any that are promising must be tried out and evaluated.

137. Research has confirmed already that a steady proportion of recidivist prisoners are basically inadequate people who cannot cope unaided with the demands of life “outside” and who have never had, or have lost, the family and other ties that assist more fortunate citizens in times of difficulty. Such people clearly need long-term support, but the right way to provide this is not by successive periods in prison. Development of hostels and “half-way houses” may well prove a more successful and economical alternative. Research has also indicated that reconviction rates would not be reduced if a larger proportion of offenders were committed to custody, or if those imprisoned were given longer sentences. A policy of keeping as many offenders as possible out of custody still seems the correct one and will continue to shape Government plans.

FUTURE RESEARCH

138. Plans drawn up by the Home Office Research Unit, and now under consideration, include proposals for a detailed description of the male prison
population and of prison routines and regimes, particularly of work in prisons and the attitudes of staff and prisoners to it. A good deal of previous research in penology has been concentrated on young offenders, but little has been done to attempt to describe the adult male population in prisons—the large majority of people for whom the Department has to provide; nor has there yet been enough scientific description of the treatment that prisoners receive or of their reaction to it. Investigation of regimes, and their evaluation, lead naturally to the study of attitudes among staff and prisoners, to observation of the various roles that staff are required to play in the course of their work and of the effect of all this on the prisoners themselves.

NOTE TO PART V
CURRENT RESEARCH PROJECTS
(See Paragraph 133)

Research Supported by Home Office Grant

Cambridge University (Institute of Criminology)
An evaluative study of the training programme of a medium security borstal.
A study of the nature and origins of parole and an examination of the operation of two American parole systems.
A descriptive study of the prison population at Birmingham, and of transfer to and from other prisons.

Durham University
An investigation of psychological changes associated with long-term imprisonment.

London University (University College)
A comparison and follow-up study of boys aged 17–20 in borstals, prisons and detention centres.

Borough Polytechnic
Research into certain aspects of parole.

Manchester University
A general sociological study of Styal prison for women.

Maudsley Hospital, Institute of Psychiatry
A study of women offenders in Holloway prison.

Oxford University
The use of Part V of the Mental Health Act, 1959, including transfers from penal institutions to mental hospitals under sections 72 and 73 of the Act.
A population study of Oxford Prison.

Southampton University
An investigation of the social difficulties which arise from a conviction for a criminal offence.
An evaluative study of anxiety reactions in relation to criminal impulses. An examination of the nature of some existing prison regimes.

Blackfriars Settlement
A psychiatric examination of men and women allotted to after-care "associates" and a descriptive report on all stages of the "associate" scheme.

Royal London Prisoners' Aid Society
A comparative study of a newly established short-term hostel and an existing hostel for ex-prisoners.

Research not Financed by the Home Office, but for which facilities have been given by the Prison Department

Durham University
An investigation into the possibility of distinguishing at an early stage between persons with definite criminal tendencies and those who are "circumstantial" criminals.

Hull University
An evaluative study of the working of the parole system.

Keele University
A study of the extent to which imprisonment may make persons more criminal.

London University
A study of the sociology and psychopathy of murder based on people indicted for murder between 1957–1967.

London School of Economics
A study of the types of crime committed by women.
A study of compulsive gamblers.

Manchester College of Commerce
A study of institutional influences on delinquent adolescents.

Maudsley Hospital—Institute of Psychiatry
A comprehensive study of the problems of alcoholism including the suitability or otherwise of short term imprisonment.
A sociological study of drug addiction.

Southampton University
A study of the effectiveness of staff/inmate discussion groups in prison.

Research being carried out by the Home Office Research Unit and Statistical Division
An estimation of reconviction amongst prisoner groups. (See paragraph 124.)
A comparison of men serving first and second prison sentences.
Research into prison industry.
An assessment of the hostel scheme for long sentence prisoners. (See paragraph 101).

Research on criminals sentenced to life imprisonment.
A study of selection for parole and the operation of the parole system. (See paragraph 118.)

Statistical description of the female prison population.
The effect of the imprisonment of women upon their families.
A study of girls sentenced to borstal, including problems of resettlement.
A comparison of 16-year-old boys in senior approved schools and borstals.
A study of the characteristics of adult male prisoners who escaped from closed prisons or absconded from open prisons before January 1967.
A further study of time spent awaiting trial at Higher Courts.
A Midlands experiment in prison welfare and after-care. (See paragraph 88.)

Research being carried out by, or under the supervision of, psychologists in the Prison Department
An investigation into factors associated with failure on release from senior detention centres.
An investigation into changes in inmate behaviour at a psychiatric prison.
A comparison of some aspects of men serving life sentences who were imprisoned before 1957 with those sentenced subsequently.
A study of the characteristics of men sentenced to long term imprisonment in the South East region.
A comparative study of the effects of different types of borstal training involving the controlled allocation of similar offenders to different regimes. (See paragraph 43.)
An examination of staff attitudes in a psychiatric prison.
The evaluation of a hostel used as part of borstal training. (See paragraph 153.)
An investigation into personality and drug-taking within an adolescent remand population.
A study of treatment methods in a detention centre.

Research being carried out by Prison Medical Officers
Evaluation of the methods used at a psychiatric prison in dealing with disorder of personality.
A study of drug addicts.
A study of the problem of incest.
A study of abnormal chromosome characteristics.
A study of methods of treatment of some sexual offenders.
A study of methods of treatment of alcoholics.
VI

THE STRATEGY OF THE PRISON SYSTEM

INTRODUCTION

139. This Part of the White Paper deals in turn with the main groupings of the present system, namely those dealing with women and girls, with young men under 21, and with men over 21. It summarises the present strategy of each part of the system. It then describes a building programme that appears, in the light of the current strategy, to make the best use of available resources.

THE ADVISORY COUNCIL ON THE PENAL SYSTEM

140. It is the Government's responsibility to determine the priorities of the prison system, and to attempt in the light of available resources to direct changes to consistent aims. Advice is available from outside as well as inside the service. In particular the Government seeks advice from the Advisory Council on the Penal System. This Council, which was set up in 1966, is a strong, expert and broadly based body under the chairmanship of Mr. Kenneth Younger. It has a present membership of 18 on which both Houses of Parliament, the judiciary, the social sciences and the police are represented. Its terms of reference are: "To make recommendations about such matters relating to the prevention of crime and the treatment of offenders as the Home Secretary may from time to time refer to it, or as the Council itself, after consultation with the Home Secretary, may decide to consider". In addition to an important study of non-custodial penalties there are two other current inquiries by the Council: into the detention centre system and into the possibility of giving the concept of reparation by the offender a more prominent place in our penal system. The Advisory Council has already completed studies (which have been published) of the regime for long term prisoners in conditions of maximum security (see paragraph 176) and the suitability of the detention centre as a method of treatment for young women and girls (see paragraph 144).

WOMEN AND GIRLS

141. In 1968 the Government made a thorough review of the way in which the prison system should deal with women and girls, and the Home Secretary announced its conclusions in a Parliamentary statement in December of that year. The number of women and girls in custody is small. In 1968 it averaged 805, a figure that has not changed much since 1938 although in that time the male population in custody has trebled. The following table shows how the population of women's institutions was made up:
Nearly 50 per cent of the women and girls who receive custodial sentences are guilty of offences against property. Others have been convicted of offences relating to prostitution (over 20 per cent), drunkenness (about 15 per cent), violence or assault, cruelty to children and, in a very small number of cases, murder. There is a relatively small group of offenders who have been imprisoned for arson, drug offences, bigamy and motoring offences.

AIMS

142. The Government sees no reason to expect any considerable increase in the number of women and girls in custody in the foreseeable future. New developments in penal treatment, including those that may result from the review now being made by the Advisory Council on the Penal System of non-custodial and semi-custodial treatment, may result in a decrease. The Government's aim, therefore, is to provide adequate facilities for the treatment of the relatively small number of women and girls in custody, together with the considerable range of specialist facilities and the high staff ratio that experience shows to be necessary. There must also be sufficient flexibility to meet additional demands and to enable facilities to be modified in the light of future developments.

143. The aims of the prison service are the same for women and girls as for men, and, although some methods of treatment may differ, many of the methods of treatment mentioned in Parts III and IV are applicable to women. They need, for example, constructive work, the personal interest of the staff, and religious and educational support. Many women in custody are clearly in need of medical and psychiatric treatment. This must take place within a regime in which good order and discipline are maintained, but, except for a small minority of women

*Now closed (see paragraph 144).
prisoners, the element of security is not so important, and in the management of the women's prison system there has been a steady tendency towards relaxing control.

CLOSING OF DETENTION CENTRE

144. The Government has decided that the women's system need no longer include a detention centre. The Advisory Council on the Penal System, which has been reviewing the general operation of detention centres, made an interim report about detention centres for girls. The Council concluded that short periods of custodial training were in principle undesirable for girls, and that, in general, girls sent to the former detention centre at Moor Court would have been better dealt with either by non-custodial treatment or by the sentence of borstal training which would have provided the longer period of treatment that many of them require.

THE SHAPE OF THE SYSTEM

145. With the closure of the detention centre at Moor Court there are now 10 establishments holding women and girls. (In four of them, as the list on page 00 shows, women's units are attached to male establishments.) The total capacity of about 1,100 places is adequate, but about half of them are in the obsolescent building at Holloway. Very small institutions are not economic and cannot provide the range of facilities needed. Since the number of women and girls in custody is small, the Government cannot plan to provide prisons and borstals for them in all parts of the country, and some offenders have inevitably to be sent a considerable distance from their homes. Married quarters are not provided for women officers and nursing sisters, so that the availability of locally recruited staff is an important factor in planning the system. Moreover, a women's prison needs to be where outside consultants can readily visit patients and where access is convenient to other visitors.

146. The Government has decided to create a northern and southern complex of female establishments. Each will have closed and open prisons, remand facilities, a closed borstal and adequate psychiatric resources. It is feasible to maintain only one open borstal for the whole country. The northern complex will be based on the existing prison at Styal. Holloway will be the centre of the southern complex. The Holloway buildings, especially the present hospital facilities, are inadequate, but the site meets the needs indicated in the previous paragraph, and will be totally redeveloped to provide the principal women's establishment in the country. Because most women and girls in custody require some form of medical, psychiatric or remedial treatment, priority will be given in the redevelopment of Holloway to the construction of a new hospital. It will thus become a medically-orientated establishment with the comprehensive, versatile and secure hospital as its central feature. The redevelopment of Holloway is a major project and the planning for the design and construction of the new building, and for the training and selection of staff, is in its early stages. The Government hopes, however, that within the next ten years the redevelopment of Holloway will have been completed and that the general policy announced to Parliament last year will have been fully implemented.
MALE YOUNG OFFENDERS

REMAND CENTRES

147. About 12 per cent of the young men in custody at any one time are on remand: that is they are either awaiting trial or, having been convicted, are held while enquiries are being made to assist the courts to decide how best to deal with them. Only a small proportion of these young men will be sentenced to imprisonment, and they ought not to be held on remand in a prison. In the last ten years, special remand centres* have been opened for both young men and young women. These centres have two main purposes. First, to detain in suitable and secure conditions those remanded in custody by the courts, and to provide the facilities, including those for visiting by solicitors, probation officers and relatives to which an unsentenced person is entitled. Second, to provide a service to the courts by the assessment of these unsentenced persons by experienced staff, including medical staff. There is not yet enough separate accommodation for all young offenders under 21 remanded in custody, and until the building programme described in paragraph 192 is completed some must continue to be held in local prisons.

148. It had been intended that remand centres should eventually provide facilities for the detention and assessment of adults as well as those under 21, and the purpose-built centre at Risley has this role. For the reasons explained in paragraph 164 the Government now feels that, in most parts of the country, adults on remand should be detained in local prisons, leaving remand centres to deal with those under 21.

DETENTION CENTRES

149. About 6,000 young men are sent each year to a senior detention centre. Most are sentenced to three months' detention, less remission, but about one in eight receive a six months' sentence. (For more details about the records of these young men see the Appendix.) The 13 senior detention centres for young men aged 17–21 contain about 1,500 places and now serve courts in all parts of the country. In 1968, for the first time, the supply of vacancies was generally sufficient to meet the current demand. There is one open centre, North Sea Camp. The others are closed establishments with a relatively high degree of security.

150. In July 1967 the then Home Secretary asked the Advisory Council on the Penal System to review the operation of detention centres, and the Council set up a sub-committee for this purpose under the chairmanship of the Bishop of Exeter. This review was timely because of past and current changes in the regimes at these centres. Statutory provision for detention centres had been made in the Criminal Justice Act 1948 and the statements then made suggested

*They are listed in the note on page 00.
†There are also 5 junior detention centres for boys aged 14–16. The Government will in due course be ready to discuss with local authorities ways in which these facilities might be incorporated within new schemes of supervision or residence of the type described in the White Paper “Children in Trouble” and provided for in the Children and Young Persons Act 1969.
that the centres were intended primarily as a deterrent and that regimes should be relatively punitive. Experience of operating the centres soon showed that despite the short length of sentence there was opportunity for positive training. In consequence the regimes now, although brisk and well disciplined, also aim to incorporate a good deal of moral and social training in the teaching of self-discipline. The main Report of the Advisory Council is expected to be published soon.

BORSTALS

151. Very few of the 5,000 young men sentenced to borstal training each year are first offenders. The Appendix gives the figures. The borstal sentence is to some extent an indeterminate one—it is for not less than six months and not more than two years; and it includes a statutory period of supervision after the completion of the custodial training. As soon as possible after sentence to borstal, young offenders are sent to allocation centres. At present these centres are in unsuitable buildings in separate wings of the adult prisons at Manchester and Wormwood Scrubs. The Government intends to replace them as soon as possible by two new purpose-built allocation centres—one at Glen Parva, near Leicester, and another in the South. The staff of an allocation centre make an assessment of each young offender, taking account of his background before sentence, his mental and intellectual ability, his age, his degree of criminal sophistication and the likelihood of his seeking or taking an opportunity to abscond. The offender then goes to one of the training borstals listed in the note on page 00 which aim to provide a range of regimes to deal with the various types of offender.

TRAINING

152. A high proportion of those sentenced to borstal training have been in institutions before, whether in approved schools or detention centres or both. The proportion has increased in the last few years, and more of those at borstal seem criminally sophisticated. Research data has provided independent confirmation of the impression of borstal governors that they have a higher proportion of difficult people to deal with. A smaller proportion are now suitable for training in open borstals. As a result the greatest pressure in the last few years has been on the closed borstals and those allocated to them have had on occasion to wait for several weeks or months in unsuitable conditions before transfer. The Government is considering the possibility of providing closed units in otherwise open establishments, as for example at Hollesley Bay, so as to adjust the balance of the system to these changing needs. The term “closed borstal” is perhaps misleading. The security of a borstal is important, but it is not and is not intended to be absolute; and a considerable number of boys in “closed” establishments can expect to spend a proportion of the day on outside working parties. Some of those sentenced to borstal are transferred from closed to open units during the course of their training, and others may be selected to go out to work under arrangements made with private firms.

DEVELOPMENTS IN BORSTAL TRAINING

153. Something was said in Parts III and IV about the treatment of offenders in borstal. It is well worth emphasising again that the borstal regime is so devised
that the staff can get to know individually each one of a small group of offenders. (A small number of women are being appointed as Assistant Governors in suitable male borstals.) An important recent development is one at Ipswich under which young offenders work for outside employers and from an early stage of their borstal sentence live in a small house in the town. This house is associated with the open borstal at Hollesley Bay and is staffed by officers from that borstal. Suitable young men are selected within the first month of their arrival at Hollesley Bay and can spend the rest of their sentence at the house, going out to work for employers in Ipswich. The sanction of return to a normal borstal is always available. The experiment, of which a careful assessment is being made, is designed to test the value of such a scheme in the training of homeless offenders who may already have spent long periods in institutions. The hope is that it may have the result of breaking down still further the barriers between holding a young offender in custody and letting him live in the community with support and supervision.

**BORSTAL AFTER-CARE**

154. After-care for young men released from borstal was until recently in the hands of the Borstal Division of the Central After-Care Association. As a new development, governors and housemasters now develop their own links with the probation and after-care service, both with the principal probation officer for the area in which the borstal is situated, and with the officer likely to supervise a boy after release. This development has given greater emphasis to the fact that after-care is part of the borstal sentence from the time the offender is committed to custody. The borstal pre-release unit, now a part of the Home Office Prison Department, maintains a general oversight of the new arrangements.

**YOUNG PRISONERS**

155. For some years it has been accepted policy that offenders under 21 should not be sent to prison unless no other alternative appears open to the courts. There are, however, as indicated in the Appendix, about 1,000 of them serving sentences of imprisonment at any one time. Most of them are aged 19 or 20 and have previously been in a borstal or detention centre, or both. It is also accepted policy that these young offenders should be kept separate from prisoners over 21. It is obviously not easy to provide a range of suitable establishments and regimes for this particular group, but it must be admitted that until recently young prisoners have been towards the end of the queue in the allocation of available resources.

156. Young offenders sentenced to periods of imprisonment of less than six months have to remain in local prisons, where often very little can be done for them. (Recently one or two local prisons in each region have, however, been able to provide a self-contained unit for young prisoners.) Those sentenced to longer periods of imprisonment go to one of four young prisoner centres. Two are self-contained establishments at Aylesbury and Northallerton, and two are in separate wings of the adult prisons at Liverpool and Stafford. There have not
been enough places in these centres, with the result that some young prisoners have had to wait for too long in local prisons before transfer. The Government has recently decided to provide a further 100 places at Aylesbury by closing the detention centre there and by using the buildings as an extension of the adjacent young prisoners centre. This will enable more of those sentenced to imprisonment to receive better training, with adequate work and provision for physical and other education, for a longer period of their sentence. Some young prisoners are serving very long terms for very serious offences; 50 of them are serving life sentences*. A handful are Category “A” prisoners for whom adequate security must be provided. All young prisoners are reclassified as adults at about the age of 21 and transferred to adult training prisons if they still have a substantial period left to serve, although the exact time of transfer is adjusted to meet an offender’s degree of maturity and the plans for his training.

THE PRESENT SITUATION

157. Three forms of custodial treatment of young offenders have now been described: detention centres for sentences of between 3 and 6 months; borstal, where the period in custody ranges from 6 months to 2 years and depends on the offender’s response to training; and imprisonment, normally for sentences of 6 months or less or of 3 years or more. Young offenders sentenced to imprisonment for over 18 months are eligible for consideration for parole, but in any case all young offenders on release from custody are liable to supervision for the full remaining period of the sentence.

158. There are powers in the Criminal Justice Act 1961 to remove altogether from the courts the power to sentence young offenders to short-term imprisonment once sufficient places become available in detention centres. These powers have not yet been implemented and although only a relatively small number of young offenders are sent to prison for short periods it is not certain that all of them could appropriately be dealt with in the present detention centres. The operation of detention centres is now under review by the sub-committee of the Advisory Council on the Penal System referred to in paragraph 150. Another sub-committee of the Council is examining the possibility of new forms of non-custodial and semi-custodial treatment for both young offenders and adults.

159. The borstal system is now more than 60 years old. Many changes have been made in its training methods to adapt them to modern social conditions and to the type of offender being received. (The effect of current legislation is that the sentence of borstal training is now passed on virtually all young offenders for whom the court feels a period of custody of between six months and two years is appropriate.) A good deal of borstal training takes place within a general framework devised between the wars, and the Government’s view is that there should be a fundamental review of the system.

*This includes some sentenced to “detention during Her Majesty’s Pleasure”.

66
THE CHANGING BACKGROUND

160. Changing social conditions and changes in the type and character of young people now being received into custody have challenged many of the basic concepts on which the regimes in young offender institutions have been based. Young people grow up more quickly than they used to. Many of the young men now received into custody are married and many have children. Changes in the age of physical and mental maturation have been reflected in the decision to reduce the age of majority to 18. Although the Latey Committee, on whose recommendation the change was made, excluded the criminal and penal field from their recommendations, the formal change and the context in which it was made must have implications for the treatment of young offenders.

A NEW REVIEW

161. The Government's White Paper "Children in Trouble" and the legislation which followed provide a new pattern of jurisdiction and treatment for young offenders under 17. The Government has announced that it would now be appropriate to undertake a comprehensive review of the custodial treatment of all young offenders above that age. The review will be conducted by the Advisory Council on the Penal System and will require time and preparation. Preparatory work has begun in the Home Office and the Government hopes that the review itself will begin next year. The Government will ensure that in the meantime there is no inhibition on necessary change and progress—for example, in dealing with detention centres or in considering non-custodial penalties.

MALE ADULT PRISONERS

162. Information about the 20,000 male adult prisoners in custody at any one time is given in the Appendix. Almost half are serving sentences up to and including eighteen months. Almost a quarter are serving sentences of over three years. These 20,000 prisoners are contained in nearly sixty different prisons, of which a list is given on page 00. The basis of the system is still the local prison to which prisoners go direct from the courts and in which more than half the adult male prisoners are held, often sleeping two or three in a cell, in buildings which all are agreed are obsolete. The local prison is overcrowded and it is trying to perform too many functions.

LOCAL PRISONS

163. The first responsibility of any local prison is to the courts. The first priority in the deployment of its staff is in the reception of prisoners from court and despatch to court, in escorting prisoners to and from the higher courts and in ensuring their security. This work is fluctuating in its demands, and workshops in many local prisons sometimes have to close for lack of staff on days on which the demands of court work are high. In addition to men waiting to appear in court, local prisons hold civil prisoners, long sentence prisoners temporarily sent back to a local prison to receive visits from their families, young men awaiting vacancies in borstal allocation centres or young prisoner centres, and large numbers of men sentenced to terms of imprisonment for whom vacancies cannot yet be found in training prisons.
164. Yet, for all their manifest disadvantages, local prisons have one great advantage. Most of them are in the right places to perform their trial-and-remand function. They are near some of the courts they serve; they have ready access to outside medical and other specialist services; because communications are good it is possible for solicitors, probation officers, and others to visit prisoners on remand and after trial, and families do not have to make long journeys for visits. Staff can be recruited, including specialist staff of various kinds. In recent years separate remand centres for people under 21 have been built. As indicated in paragraph 147 they have many advantages, but experience has shown the extreme difficulty of getting sites in the right places with good communications.

165. The Government, after re-examining the role of the local prison, has evolved new plans for a major, though gradual, shift of policy. It has decided that the local prison should retain its traditional trial-and-remand function for adult male prisoners. It has also decided that the role of the local prison should in future include certain other functions which are either closely associated with the trial-and-remand function or require the services of the same specialist staff. These are:

(a) allocation and categorisation of convicted prisoners;
(b) medical examination and treatment; and, at least in some cases,
(c) pre-release arrangements for long sentence prisoners.

A NEW DESIGN

166. All this does not mean that the functions of the local prison can be satisfactorily carried out in the existing Victorian buildings. There are plans for the gradual modernisation and redevelopment of old buildings as described in paragraphs 183–186, but, in addition, the Government has set in train a full-scale study of the design of a local prison. This will be carried out by the Penal Establishments Group of the Ministry of Public Building and Works. The Group works in close association with the Home Office and the governor of a prison has been seconded full-time to it. This is the first study of its kind to be devoted to the special design problems of a local prison and will include an analysis of what would be involved in the complete redevelopment of one of our Victorian prisons. The recommendations of the Royal Commission on Assizes and Quarter Sessions* will also be considered in planning the local prison of the future.

CLASSIFICATION

167. The Government decided a few years ago to set up regional allocation centres in the local prisons at Liverpool, Birmingham, Wandsworth and Bristol. All men sentenced to long periods of imprisonment are now sent to one of these centres for a period of assessment after conviction. In addition, observation and classification units have now been established in all local prisons for the assessment of men serving other sentences of 3 months or more. Thus, for the first

time, a proper assessment can be made of the great majority of men sentenced to imprisonment. The assessment process has four aims:

(a) to obtain and record certain basic information about each prisoner, and about his family background;

(b) to attempt to identify his needs and, if possible, the factors that may have led to his criminal behaviour as an essential to any attempt to deal with them while he is in custody;

(c) to settle his "security" category (see paragraph 168 below);

(d) in the light of these factors, and of the resources available in the region, to recommend where he should serve the whole or the first part of his sentence.

SECURITY CATEGORIES

168. Prisoners are now placed in one of the following categories.

Category A. Prisoners whose escape would be highly dangerous to the public or the police or to the security of the state.

Category B. Prisoners for whom the very highest conditions of security are not necessary but for whom escape must be made very difficult.

Category C. Prisoners who cannot be trusted in open conditions but who do not have the ability or resources to make a determined escape attempt.

Category D. Those who can reasonably be trusted to serve their sentences in open conditions.

169. The categorisation arrangements were introduced in 1967 on the recommendation of Lord Mountbatten, after his inquiry for the Home Secretary into a number of prison escapes. Obviously there are no clear cut lines to be drawn between prisoners placed in one category and those placed in another. Also a prisoner’s security category may be changed during his sentence. The experience so far gained suggests that the prison service should plan on the basis that about 1 per cent of the convicted prisoners in custody will be in Category A, about 30 per cent in Category B, about 50 per cent in Category C, and 20 per cent in Category D. One important qualification has however to be made to the definition of a Category D prisoner. Local people feel understandably alarmed at the prospect of an open prison being built in their neighbourhood, even though once the prison has become accepted the alarm generally disappears. At the planning stage the Department is often asked to give pledges that no prisoner convicted of offences involving sex or violence will be sent to a particular open prison, even though experience suggests that some of these offenders could be transferred without risk after a period of observation in a local prison.

TRAINING PRISONS

170. In a training prison there is little worry about the court and escort work that makes continuity of training and of staff influence so difficult in a busy
local prison. The great majority of convicted prisoners, apart from those serving very short sentences, ought to be in training prisons; and one of the unsatisfactory features of the present situation is that men serving up to four years' imprisonment may serve all their sentence in an overcrowded local prison. The Prison Department divide the country into four regions, and most prisoners who leave local prisons are transferred to training prisons within their own region. It was decided in 1966 to do this also with long-term recidivist prisoners (i.e. those who had served previous sentences). In the past men from the North and the Midlands have had to serve long sentences at Parkhurst and Dartmoor, which, though ironically known as "central" prisons, could hardly have been further from their homes. It is hoped that within two or three years it will be unusual for a recidivist prisoner not in the highest security category to be allocated to a prison outside his region. One of the reasons why this has become possible is that the Criminal Justice Act 1967 abolished the special sentences of corrective training and preventive detention. It is no longer necessary to set aside some closed prisons, or parts of them, for recidivists serving these sentences, whose needs and characteristics were often indistinguishable from those of men sentenced to ordinary imprisonment.

VARIATION IN REGIME

171. Ideally all convicted prisoners would be sent to training prisons with a regime suited to their needs, and with a degree of security no greater than was necessary. We are very far from this ideal, but here too a start has been made—for example in differentiating the functions of particular institutions. The new prison at Coldingley mentioned in paragraph 56, whose predominant feature will be its industry, will aim to train the prisoner in an industrial environment. This type of industrial regime may well prove to benefit considerable numbers of medium and long-term prisoners, but it is not designed to cater for the more disturbed prisoner. In addition to the special regime at the psychiatric prison at Grendon there are other prisons at which facilities are being developed for the treatment of disturbed prisoners. At one or two prisons there will be opportunities for education or specialised vocational training which it is not economic or practicable to make generally available.

CATEGORY C PRISONS

172. The measures in the Criminal Justice Act 1967 designed to keep men out of prison altogether led, at least temporarily, to a fall in the number of men suitable under present criteria for open prisons. There is no immediate need for the provision of more open prisons although more men sentenced to longer sentences should have the opportunity to spend part of their sentence in an open prison within their own region. There is however an urgent need for more training prisons for Category C prisoners (i.e. men not suitable for open prisons but unlikely to be "escape risks"). The Government plans to provide new Category C prisons for men serving sentences of up to 18 months. The opening of such prisons would relieve the pressure on local prisons, give convicted offenders much better facilities for work, education and recreation than are possible in overcrowded local prisons, and leave other closed training prisons to tackle the particularly difficult problems of prisoners serving longer sentences.
173. The new Category C prisons will have an effective perimeter fence, but will not have the elaborate security precautions of a Category B prison. Prisoners will sleep in cubicles and not in secure cells, and there will be a degree of freedom of movement during the day. The Government believes that, within a secure perimeter, it will be possible to reproduce for these prisoners many of the proved advantages of the existing open prisons.

**CATEGORY A PRISONERS**

174. Only about 1 per cent of all convicted adult male prisoners, and a handful of women and young prisoners, are currently placed in the highest security category: those whose escape would be highly dangerous to the police or the public or to the security of the State. Almost all convicted Category A prisoners are serving sentences of ten years and over, and about 40 per cent are serving life sentences. They are not a homogeneous group in other respects. They include one or two spies, and a considerable number of professional criminals, most with violent records, some of whom have associates outside who might be willing to help them escape. About one third are dangerous sexual offenders whose escape would endanger the public but who may present no particular threat while in custody. The security category of all Category A prisoners is regularly reviewed, and experience shows that it is safe to downgrade a number of them to Category B in the course of a long sentence.

**SECURITY WINGS**

175. To meet the new threats to security referred to in paragraph 199 the Government found it necessary to maintain small "special security wings" in parts of the existing prisons at Parkhurst, Durham, Leicester and Chelmsford. A secure wing at Brixton is used to hold Category A men awaiting trial. Conditions in these wings, and the adjacent exercise areas, have been much improved since they were opened, but it remains undesirable that men should be detained for very long periods in such confined conditions.

**DISPERAL**

176. The containment of Category A prisoners poses difficult problems for the prison service and indeed for the community. They were fully discussed in the 1968 Report of the Advisory Council on the Penal System—"The Regime for Long Term Prisoners in Conditions of Maximum Security". The Council accepted that the concentration of all Category A prisoners into one or two small maximum security prisons would make it easier to provide "near-absolute security" for them. They were concerned, however, that the atmosphere of such institutions containing a concentration of evil and dangerous men might become repressive and that the maintenance of good order would be very difficult if prisoners could not be transferred between a number of equally secure prisons, either to split up associates or to separate enemies. They recommended instead that Category A prisoners should be dispersed among the population of a small number of secure establishments.

177. The Government thought that, on balance, this policy of dispersal was to
be preferred to one of concentration, and decided not to build Alvington—the proposed maximum security prison for 120 prisoners on the Isle of Wight. Instead, work was pressed forward to strengthen the security, especially the perimeter security, of a number of long-term prisons, and this entailed the more secure containment of a considerable number of Category B prisoners as well as those in Category A. Apart from those in the special security wings, recidivist prisoners in Category A are now held at Gartree in the Midlands, at Hull in the North, and at Parkhurst on the Isle of Wight. It is proposed to send others to Albany, next door to Parkhurst, and to the new prison at Long Lartin, in Worcestershire, which should open in 1971. Prisoners in Category A without serious previous criminal records may be allocated to Wakefield or Wormwood Scrubs.

178. In accordance with another recommendation of the Advisory Council, a small segregation unit is to form part of each of these dispersal prisons. The power to send a disruptive or violent prisoner for a period to the segregation unit is one that safeguards the regime of the prison for the majority of its population, and will assist governors to deal with the small minority of prisoners, whether in Category A or Category B, who appear determined to stir up trouble and to incite others to do the same. The dispersal policy will also give flexibility in the transfer of such prisoners between establishments. It is still necessary to hold a minority of Category A prisoners in the special security wings. The population of those wings has, however, been substantially reduced—from 62 in April 1967 to about 45—and they will be kept under review as experience of the dispersal policy is gained.

THE CAREER OF THE PRISONER

179. Paragraph 167 described the initial assessment and allocation of a prisoner. Assessment must be a continuing process, and allocation needs to be reviewed. Some prisoners will be transferred to take a vocational training course. Some who are in closed prisons at the beginning of a sentence can, and therefore should, be trusted in an open prison towards the end of it. Also, as indicated in paragraph 98, those sentenced to four years' imprisonment and over can spend the last part of their sentence working outside the prison for a private employer. The arrangements for planning what may be called the "career" of a prisoner serving a long sentence have not in the past been satisfactory. Therefore, alongside the new arrangements for the initial assessment and documentation of convicted prisoners serving long sentences, the Government has introduced better methods for the review of a prisoner's situation and progress at regular intervals during sentence.

180. The introduction of parole has, however, introduced a new complication into the pre-release employment scheme. The stages in a prisoner's career ought to be related to his likely date of release. That date may now be brought forward by release on parole but those in the prison charged with the duty of looking after the long sentence prisoner cannot know in advance whether he will be selected for parole or not. Arrangements already exist under which the Parole Board may fix the release of a long sentence prisoner several months ahead and
indicate that they feel he should first spend a period on a pre-release employment scheme. Further study is needed of other ways in which the Prison Department and the Parole Board can co-operate in the planning of the career of a long sentence prisoner with a view to his release to supervision in the community after training in custody; and they must be ways which do not cast doubt on the responsibilities of the Prison Department or on the statutory independence of the Parole Board.

EXISTING BUILDINGS

181. Of the 46 closed prisons in which male adult prisoners were held on 1st July 1969, only 5 have been built as prisons since 1914. As the list of existing establishments given in the note on page 00 shows, our old buildings also house a considerable number of young offenders. The prison service is not alone in having to work with outdated capital assets. But it is particularly handicapped by the fact that not one closed prison or borstal was built in the 40 years 1918–1958, so that the proportion of obsolete buildings is unusually high.

182. Many people concerned with the prison system have said, or been tempted to say, that the only thing to do with our Victorian inheritance is to pull it down. But even assuming, and it is a very big assumption, that suitable sites could be found for modern buildings to replace them, the provision of 20,000 new places in secure prisons and borstals in modern buildings would cost something over £100 million. The prison service needs new buildings and they are being planned. (See paragraphs 190–192 below.) But we have to face the fact that the resources to replace all unsuitable buildings are simply not available, and that the service will enter the last quarter of the twentieth century with buildings designed in the nineteenth. The need, therefore, is to make the best use of them and see how they can be improved.

RENOVATION AND IMPROVEMENT

183. First, it is necessary to ensure that the services of our old buildings do not break down. There is a real risk of this happening, since in many of them the heating systems, drains, and power supplies are reaching, or have reached, the end of their useful life or are inadequate for modern needs. The Government has embarked on a major programme for renewal of these services, including new boiler houses, at a cost of between £5 and £7 million a year over the next few years. An important part of this programme is the increase of power supplies to enable modern industrial machinery to be used and lighting to be improved. Second, on some sites there is space available on which new workshops can be added to or substituted for old, and a programme designed to do that will cost over £1½ million a year in the next few years.

REFURBISHING PROGRAMME

184. Quite minor improvements can alleviate the harsh and drab appearance of much of our old accommodation. Since the war, for example, the floors of many prisons and borstals have been covered with new coloured tiles. The Government
thinks that such relatively minor improvements are of great importance. A systematic programme has been drawn up to give new impetus to such work, which will be done, as far as possible, by prisoners themselves under the direction of works staff. The programme will start this financial year and in the first phase 30 prisons, mostly dating from the last century, will be redecorated. The work will include substantial retiling of floors and the cost will be of the order of £1m. Similar redecoration will later be carried out at an additional 46, mainly hutted, establishments at a cost of about £1.5m. It is also proposed, as the programme proceeds, to replace old cell furniture with up to date patterns.

"SLOPPING OUT"

185. All new prisons are being designed to avoid the need for "slopping out". Experiments in the automatic unlocking of cells may provide the means of solving the problem of night sanitation in existing prisons, although the system so far examined would cost a great deal to install. But if there is no early prospect of getting rid of slopping out in most of our closed prisons it is possible to improve their sanitary facilities. At 8 Victorian prisons £1m. is to be spent to provide more showers, toilets, and wash basins, and on improvements in lighting and ventilation. This scheme has had to be restricted, initially at least, to 8 prisons, partly because the cost is high, partly because it entails reducing the places available by giving up cells to make room for the additional showers and lavatories. While this carries with it some risk, particularly at a time when the current rise in the prison population is expected to continue, the Government believes that it is a risk that should be taken because of the general improvement that will result and to point a way for similar work, perhaps on an enlarged scale, in the years ahead. Another experiment which could provide a prototype for the future, if it is successful, is the complete reconstruction of a cell block which was badly damaged by fire. This reconstruction includes flooring in some of the "well" of the block to provide badly needed association or recreation areas. Some parts of the programme described above, including the redecoration of 30 Victorian prisons, will be completed within the next 2 years and the whole "refurbishing programme" should be complete within 5 years.

REDEVELOPMENT

186. There are plans for the comprehensive redevelopment of a number of establishments. Priority will have to be given to closed prisons where the need is greatest, but comprehensive redevelopment will not be confined to closed prisons. Many of the open prisons and borstals are in hutted accommodation which is reaching, or in some cases has reached, the end of its economic life, and the Government plans the gradual redevelopment of such establishments on existing sites. The following is a list of establishments at which major building work is already proceeding, or in which new units or rebuilding will, it is hoped, start in the next five years, although in some cases plans are in their early stages.
### Adult establishments
- Appleton Thorn†
- Ashwell† (already started)
- Brixton
- Bristol
- Eastchurch†
- Ford†
- Gloucester
- Leeds
- Leicester
- Lewes (major improvements being made after fire)
- Lincoln
- Liverpool
- Maidstone
- Nottingham†
- Portsmouth† (already started)
- Reading† (already started)
- Sudbury†
- Swansea†
- Thorp Arch
- The Verne† (already started)
- Winchester†
- Wormwood Scrubs

### Young Offenders Establishments
- Dover (already started)
- Gringley Camp† (already started)
- Hatfield
- Hollesley Bay Colony† (already started)
- Latchmere House
- Morton Hall
- New Hall
- Usk (Prescoed)†
- Wetherby†

### NEW BUILDINGS

#### SITES

187. The present gross overcrowding in local prisons, and the resumed rise in the total number of offenders in custody, would alone point the need to a continuing programme of new buildings. The first task is to find sites. If suitable alternative sites could be found it would be possible, for example, to consider replacing the worst of the Victorian prisons now occupying central sites in London and other large cities. But new sites in towns are unlikely to become available and would be very expensive; and the proposal to build a new prison in any town would encounter strong opposition. The building of a new institution, and the housing for its staff, on open land within easy reach of a large centre of population perhaps the best solution—has to meet formidable planning objections. A site in a more remote or barren area may isolate the institution, its staff, and the families of its staff, from the community. Not only is access difficult for the families and friends of offenders, and for probation officers, medical consultants and other visitors, but it may become impossible to recruit and retain all the necessary staff, both full-time and part-time. There are very real staffing difficulties at some of the institutions built since the war in rural areas. Many of these difficulties are not unique to the prison service—they apply to other services maintaining residential institutions of one kind or another; but there is, perhaps, an added difficulty in the alarm often expressed by local residents at the suggestion that a prison should be built in their midst.

†At these establishments the greater part of the work is being or will be done by the prisoners or young offenders themselves.
188. It is not, therefore, surprising that a good deal of staff effort has to be devoted to finding suitable sites. It has been Government policy that, so far as possible, new institutions should be built on land already in public ownership becoming redundant to the needs of other Government departments. The Home Office, like all other departments, consults planning authorities about the development of new buildings and where there is local objection a public inquiry may be held. It is right that these procedures should be followed and the interests of all those affected adequately considered. But the inevitable result is that the process of acquiring sites and developing them takes a long time and involves much work that in the end may prove abortive. It can take seven years or more from the time that the Department provisionally selects a site to the time when the new building is opened. In those seven years the demands on the prison service will have increased. It is hoped that better organisation of the Department will reduce unnecessary delays but the process will always take several years.

189. There is always a danger that a large institution will become authoritarian and impersonal in its attitudes and organisation, and, partly for this reason, the tendency since the war has been to plan and build smaller institutions than in the nineteenth century. But the same objections may not apply if two or three units are grouped into one complex, and if this is done there is scope for economy in the provision of common services, such as boiler houses and administrative offices, as well as the advantage of making more intensive use of a site. This is why the Prison Department is likely in future to resort to this practice and build rather larger institutions.

NEW ESTABLISHMENTS FOR ADULTS

190. Paragraph 172 explained why the Government intends to give high priority to new prisons for Category C prisoners—those not thought suitable for open prisons but not likely escapers. The first of these are now being provided in camps at Haverigg, in Cumberland, and at Northeye, near Bexhill in Sussex; but design work is now beginning on purpose-built Category C prisons. These may hold up to 200 prisoners in each of four units, or 750–800 in each prison; and it is hoped that the construction of six such prisons, built so far as possible to a standard design, may start within the next five years. Among the sites being considered are Full Sutton and Ulnes Walton, in the North Region, Gartree in the Midland Region, and Wrabness in the South East.

191. There is also an urgent need for more accommodation for prisoners of a higher security category. The training prison to hold about 300 Category B prisoners opened this year at Coldingley, in Surrey, has already been mentioned. A training prison for about 500 is being built at Long Lartin in Worcestershire, and should be open in 1971. Design work is now well advanced on a prison in Oxfordshire to be known as Lockwood prison. This will have two sections: the first section will be a training prison for about 300 prisoners; the other, a local prison for 200 will enable the small and obsolete prison at Oxford to be closed, thus fulfilling a long outstanding commitment. There are plans for an important closed prison in the North Region on which building work should start by the
9. Prisoners employed making aircraft parts in Gloucester prison. The workshop was opened in January 1967 with the co-operation of Dowty Rotol Ltd. for whom the work is done. The firm undertake to employ prisoners who have worked in the shop for three months or more.

10. Prisoners building a new cell block and kitchens at The Verne prison, Portland. Prison labour can make an important contribution not only to the badly needed maintenance and rebuilding of some of the older prisons but also to the building of new establishments.
188. It is not, therefore, surprising that a good deal of staff effort has to be devoted to finding suitable sites. It has been Government policy that, so far as possible, new institutions should be built on land already in public ownership becoming redundant to the needs of other Government departments. The Home Office, like all other departments, consults planning authorities about the development of new buildings and where there is local objection a public inquiry may be held. It is right that these procedures should be followed and the interests of all those affected adequately considered. But the inevitable result is that the process of acquiring sites and developing them takes a long time and involves much work that in the end may prove abortive. It can take seven years or more from the time that the Department provisionally selects a site to the time when the new building is opened. In those seven years the demands on the prison service will have increased. It is hoped that better organisation of the Department will reduce unnecessary delays but the process will always take several years.

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11. A Parole Board Panel in session with Lord Hunt in the chair. Parole has already become an accepted part of the prison scene, offering to many offenders an increased likelihood that they can affect their future by their own efforts. Research is being carried out on the effect of the scheme on all prisoners eligible for parole and also into the methods of selecting prisoners for release.

12. A probation officer discussing future plans with one of the young men in his care. So far as is practicable, contact is maintained both with the prisoner and his family during sentence and the probation officer will try to visit the prisoner before discharge. In 1967, 22,441 offenders had contact with the probation service after release and the figure is now greater.
13. Borstal trainees from Hewell Grange helping at a Cheshire home. An example of the links which can be established between those in custody and the outside community.

14. Dormitory at a borstal used by young men who worked outside the borstal in the last months of their training.
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15. The interior of Wandsworth prison. Despite ambitious plans for new prisons the service does not have the resources to replace all unsuitable buildings and will enter the last quarter of the 20th century with buildings designed in the 19th. The aim, therefore, is to make the best use of them and to study how they can be improved.

16. The exterior of Blundeston prison. Blundeston is one of the five purpose build prisons built since 1914. It was opened in 1963 and accommodates 304 prisoners. The prison service is particularly handicapped by the fact that not one closed prison or borstal was built in the 40 years 1918 - 1958 so that the proportion of obsolete buildings is unusually high.
end of 1972. The basis of the design for it has been prepared by the group set up jointly by the Home Secretary and the Minister of Public Building and Works to which reference was made in paragraph 166. The Government also hopes that, by 1974, work will have started on four other training prisons for prisoners serving over eighteen months, although sites have yet to be agreed; and here it may be repeated that it is hoped that work will start in 1971 on the first stage of the complete redevelopment of the Holloway site to provide a new women's establishment, concentrated round a secure hospital (see paragraph 146).

NEW ESTABLISHMENTS FOR YOUNG OFFENDERS

192. More remand accommodation is needed for those under 21, and the following remand centres are to be built or extended.

- Norwich Remand centre for 60 boys.
- Rochester Remand centre for 100/125 boys.
- Low Newton 80 further places for boys.
- Thorp Arch 75 further places for boys.
- Glen Parva Remand centre for 120 boys (associated with the allocation centre mentioned below).
- Pucklechurch 50 further places for boys and some additional accommodation for women and girls.

The most pressing need on the young offenders side is for new borstal allocation centres and these will be provided as follows:

- Glen Parva Allocation centre for 360 and training borstal for 300 boys.
- Sites near London Allocation centre for 450 boys—to be associated with a psychiatric borstal for 250 boys.

Other closed institutions for young offenders are likely to be needed to meet rising numbers.

The Government has also made plans for adding further units to three existing detention centres, but work on these will not start until the situation has been reassessed in the light of the forthcoming report on detention centres from the Advisory Council on the Penal System. (See paragraph 150.)

QUARTERS

193. The following diagram shows the increase in the number of married quarters for staff since 1964, an increase made necessary by the rapid expansion of the prison service in this period—
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<thead>
<tr>
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<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>Rochester</td>
<td>Remand centre for 100/125 boys.</td>
</tr>
<tr>
<td>Low Newton</td>
<td>80 further places for boys.</td>
</tr>
<tr>
<td>Thorp Arch</td>
<td>75 further places for boys.</td>
</tr>
<tr>
<td>Glen Parva</td>
<td>Remand centre for 120 boys (associated with the allocation centre mentioned below).</td>
</tr>
<tr>
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</tr>
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</thead>
<tbody>
<tr>
<td>Glen Parva</td>
<td>Allocation centre for 360 and training borstal for 300 boys.</td>
</tr>
<tr>
<td>Sites near London</td>
<td>Allocation centre for 450 boys—to be associated with a psychiatric borstal for 250 boys.</td>
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**QUARTERS**

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In addition to about 8,000 married quarters there is single accommodation for about 850 officers. In the last two years, the houses provided by Government building have been supplemented by purchase from private owners or builders, and as a result of these special efforts about 650 quarters were built or acquired in 1968. The number of officers waiting for quarters at the end of the year was less than 250.

**GENERAL**

194. The Ministry of Public Building and Works handles most major new prison projects. Other work, including work within existing prisons or borstals (where security considerations are likely to arise), is carried out by the Prison Department. On its works side, as with prison industries, the Department has been under-managed, and an expanding building programme requires more staff to control it effectively. The whole programme, including that for which the Ministry of Public Building and Works is responsible, is now being planned on a basis of annual "starts" for each of the ensuing five years.

195. The following diagram shows the total of capital expenditure since 1960, including that on quarters and on physical security, and estimates of expenditure up to 1971/72 (the figure shown for 1971/72 is a provisional estimate).
196. New buildings are not extravagantly designed. The aim is to provide reasonable working conditions for prison staff, and reasonable living and working conditions for offenders. Modern materials bring long-term economic advantages and modern techniques are being used. The installation of automatic locking systems, for example, can lead to economies in staff as well as helping to banish from new establishments the degrading practice of "slopping-out". New buildings can provide better standards for all who use them.

SECURITY

197. In October 1966, following the escape of George Blake from Wormwood Scrubs, Lord Mountbatten was appointed to conduct an Inquiry "into recent prison escapes . . ." and to make recommendations for the improvement of
prison security. In his Report, published in December 1966 (Cmnd. 3175), he made a series of far-reaching recommendations to improve prison security and these, accepted by the Government, have been progressively put into effect in the last three years. As the following diagram shows, the number of escapes from closed prisons and remand centres has been reduced to a quarter of those for earlier years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Closed Prisons</th>
<th>Remand Centres</th>
<th>Total Escapes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>45</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>1963</td>
<td>59</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>1964</td>
<td>77</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>1965</td>
<td>63</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>68</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>1967</td>
<td>18</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>1968</td>
<td>10</td>
<td>11</td>
<td></td>
</tr>
</tbody>
</table>

SECURITY WEAKNESSES

198. There were various reasons why security in closed prisons had fallen below an acceptable level. The deterioration of the fabric of old buildings was one reason. Another was the freer movement and association of prisoners in buildings that might have remained secure if used for their original purpose of
solitary confinement. Moreover, the post-war training prisons, such as Blundes­
ton, had been designed on the assumption that the buildings themselves could be made so secure that a fence sufficient to hinder rather than to prevent escapes could replace the traditional perimeter wall. This assumption, and the buildings designed on it, have both had to be modified.

THE NEW THREAT

199. In addition, the prison service had been slow to react to a change in the nature of the threat it had to meet. Some escapes are made on impulse, some are the result of careful planning inside the prison, some reflect careful planning with associates outside. The longer a man’s sentence, the more likely it is that he will plan to escape*. Since the greater the resources a prisoner can command outside both in terms of money and influence the more likely he is to receive assistance in securing his escape, the emergence of large-scale organised crime is directly relevant to prison security. It is very difficult to judge how many prisoners in custody might, with such outside assistance, be able to engineer an attempted escape. But there are undoubtedly some and their safe keeping raises special problems. Finally although in the past very few prisoners serving life sentences have escaped, or attempted to do so, a new factor has been introduced by the abolition of capital punishment and the consequent detention for very long periods of some prisoners who might previously have been executed.

THE NEW DEFENCES

200. The procedure by which prisoners are now placed in “security categories” was described in paragraph 168. It has necessitated, as its chief aim, strengthened security at the prisons holding men in categories A and B. First, the conventional barriers of bars and walls have been improved. New bars have been fitted to many windows and the structure of cells and other buildings has been strengthened. The erection of additional inner fences has greatly strengthened perimeter security at 17 prisons. Double fences will provide the basic perimeter security of new category B prisons. (The Government has rejected the suggestion that security should be maintained by the use of armed guards on the perimeter.) Second, the Prison Department is making increasing use of modern technical equipment and has benefited from expert scientific advice. (The Prison Department is now advised on prison security by a high level Advisory Group of scientists.) The new equipment already in use includes better lighting, closed circuit TV, personal wireless sets for staff and various alarm devices fitted on or near perimeter boundaries. The programme of improved physical security and of new equipment is not yet complete but it has already done a great deal to raise standards.

201. More staff have been employed on security duties. New wall patrols and more staff on duty on the perimeter are merely the obvious additions. There must also be staff in control rooms and in the operation of security equipment.

*In the years 1961—1966 about 20% of escapers, ignoring those on remand, came from about 2% of the prison population: those serving determinate sentences of ten years or more. The increase in the number of very long sentences has been described in the note on page 90.
Training courses have been held, including those for the security officers appointed at all closed prisons. The basic aim of training in security duties, as in other spheres, is to make the staff more professional in carrying out their tasks, for the best of security devices depends entirely on the training and alertness of the staff who operate and use them. Lord Mountbatten recommended that prison officers should be trained as dog handlers and provided with their own dogs. Thanks to the co-operation and ready help of the police, a prison dog service has been trained and built up, and it will soon reach the planned complement of 210 dog handlers for patrol duties at 24 closed prisons. Dogs are never used to assist in the routine escorting of prisoners within a prison. They are a deterrent to escape attempts, including attempts to breach the perimeter of a prison from outside. An important element in increased security effectiveness has been the growth of co-operation between the prison service and the police, including the provision by the police of up-to-date information as to a prisoner's known criminal associates at large.

THE COST OF SECURITY

202. In general the aim has been to concentrate the new security measures on the perimeters of closed prisons, which means that greater security does not involve the placing of greater restrictions on the activities and movement of prisoners. Indeed, in the long run, a strengthening of perimeter security should enable some of the restrictions imposed on security grounds within closed prisons to be relaxed. Greater security can be obtained without serious detriment to the treatment of prisoners. It cannot however be obtained without the expenditure of a lot of time and money. When resources are limited, difficult decisions must be taken about the relative priority of expenditure on security measures and expenditure on new building and other necessary prison improvements.

NOTE

LIST OF PRISON SERVICE ESTABLISHMENTS
IN USE ON 1st JULY 1969

Local Prisons for Men

<table>
<thead>
<tr>
<th>Name</th>
<th>Certified Normal Accommodation*</th>
<th>Date first used for custody of offenders</th>
<th>Purpose for which built</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedford</td>
<td>167</td>
<td>1848</td>
<td>County Gaol</td>
</tr>
<tr>
<td>Birmingham</td>
<td>527</td>
<td>1845</td>
<td>City Gaol</td>
</tr>
<tr>
<td>Bristol</td>
<td>407</td>
<td>1883</td>
<td>Built by Prison Commission. New block for 100 long term prisoners added 1967</td>
</tr>
</tbody>
</table>

*i.e. the number of offenders that the institution will hold without overcrowding of cells or dormitories.*
### Local Prisons for Men—continued

<table>
<thead>
<tr>
<th>Name</th>
<th>Certified Normal Accommodation</th>
<th>Date first used for custody of offenders</th>
<th>Purpose for which built</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brixton</td>
<td>621</td>
<td>1853</td>
<td>County female penitentiary reconstructed and added to before 1914</td>
</tr>
<tr>
<td>Canterbury</td>
<td>219</td>
<td>1808</td>
<td>County Gaol Rebuilt 1852</td>
</tr>
<tr>
<td>Cardiff</td>
<td>215</td>
<td>1830</td>
<td>County Gaol</td>
</tr>
<tr>
<td>Dorchester</td>
<td>137</td>
<td>1855</td>
<td>County Gaol rebuilt by Prison Commission 1879</td>
</tr>
<tr>
<td>Durham</td>
<td>678</td>
<td>pre 1877</td>
<td>County Gaol Rebuilt 1881</td>
</tr>
<tr>
<td>Exeter</td>
<td>235</td>
<td>1853</td>
<td>County Gaol</td>
</tr>
<tr>
<td>Gloucester</td>
<td>166</td>
<td>C.1800</td>
<td>County Gaol Rebuilt 1840</td>
</tr>
<tr>
<td>Leeds</td>
<td>559</td>
<td>1840</td>
<td>City Gaol</td>
</tr>
<tr>
<td>Leicester</td>
<td>214</td>
<td>1828</td>
<td>County Gaol Rebuilt 1850</td>
</tr>
<tr>
<td>Lincoln</td>
<td>322</td>
<td>1869</td>
<td>County Gaol</td>
</tr>
<tr>
<td>Liverpool</td>
<td>1050</td>
<td>1854</td>
<td>City Gaol. Subsequent extensions and rebuilding</td>
</tr>
<tr>
<td>Manchester</td>
<td>782</td>
<td>1869</td>
<td>County Goal Alterations pre-1914</td>
</tr>
<tr>
<td>Norwich</td>
<td>181</td>
<td>1892</td>
<td>Built by Prison Commission</td>
</tr>
<tr>
<td>Oxford</td>
<td>123</td>
<td>1858</td>
<td>County Gaol (To be closed)</td>
</tr>
<tr>
<td>Pentonville</td>
<td>885</td>
<td>1842</td>
<td>“Model” prison for much of nineteenth century</td>
</tr>
<tr>
<td>Shrewsbury</td>
<td>165</td>
<td>1795</td>
<td>County Gaol Rebuilt 1885</td>
</tr>
<tr>
<td>Swansea</td>
<td>225</td>
<td>1859</td>
<td>County Gaol</td>
</tr>
<tr>
<td>Wandsworth</td>
<td>1073</td>
<td>1849</td>
<td>County Gaol</td>
</tr>
<tr>
<td>Winchester</td>
<td>333</td>
<td>1855</td>
<td>County Gaol</td>
</tr>
<tr>
<td>Wormwood Scrubs (Also long-term training prison)</td>
<td>914</td>
<td>1874</td>
<td>Completed in 1891 mostly by “Convict labour”</td>
</tr>
</tbody>
</table>

---

*i.e. the number of offenders that the institution will hold without overcrowding of cells or dormitories.*
<table>
<thead>
<tr>
<th>Training Prisons for Men (Other than Open Prisons)</th>
<th>Capacity</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albany</td>
<td>480</td>
<td>1967</td>
</tr>
<tr>
<td>Aylesbury (for young prisoners)</td>
<td>300</td>
<td>1845</td>
</tr>
<tr>
<td>Blundeston</td>
<td>304</td>
<td>1963</td>
</tr>
<tr>
<td>Camp Hill</td>
<td>354</td>
<td>1912</td>
</tr>
<tr>
<td>Chelmsford</td>
<td>202</td>
<td>1819</td>
</tr>
<tr>
<td>Coldingley</td>
<td>296</td>
<td>1969</td>
</tr>
<tr>
<td>Dartmoor</td>
<td>668</td>
<td>1851</td>
</tr>
<tr>
<td>Gartree</td>
<td>408</td>
<td>1966</td>
</tr>
<tr>
<td>Grendon</td>
<td>325</td>
<td>1962</td>
</tr>
<tr>
<td>Psychiatric Prison</td>
<td>400</td>
<td>1967</td>
</tr>
<tr>
<td>Haverigg when adaptation completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hull</td>
<td>260</td>
<td>1869</td>
</tr>
<tr>
<td>Lancaster</td>
<td>198</td>
<td>?</td>
</tr>
<tr>
<td>Lewes (also takes some trial and remand prisoners)</td>
<td>281</td>
<td>1855</td>
</tr>
<tr>
<td>Maidstone</td>
<td>496</td>
<td>1817</td>
</tr>
<tr>
<td>Northallerton (for young prisoners)</td>
<td>146</td>
<td>1850</td>
</tr>
<tr>
<td>Northeye when adaptation completed</td>
<td>250</td>
<td>1969</td>
</tr>
<tr>
<td>Nottingham</td>
<td>214</td>
<td>1890</td>
</tr>
<tr>
<td>Parkhurst</td>
<td>613 C.</td>
<td>1800</td>
</tr>
<tr>
<td>Portsmouth when adapted from Borstal use</td>
<td>140</td>
<td>1878</td>
</tr>
<tr>
<td>Preston</td>
<td>451</td>
<td>1799</td>
</tr>
</tbody>
</table>

Mostly purpose built. Some army barracks adapted
County Gaol
Inebiates Reformatory added in 1902
Purpose built
Purpose built
County Gaol
Purpose built
Built by prisoners of war in Napoleonic Wars and used by them
Purpose built
Purpose built
Former R.A.F. Camp
City Gaol. Part rebuilt since 1945 after bombing
Castle with Norman keep. County Gaol from 1788
County Gaol
County Gaol, reconstructed before 1914
County Gaol. Some buildings are older
R.A.F. Camp
City Gaol, reconstructed 1912
Originally a juvenile prison, much altered before 1914
City Gaol
County Gaol Rebuilt 1820
Training Prisons for Men (Other than Open Prisons)—continued

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<tr>
<th>Name</th>
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<th>Date first used for custody of offenders</th>
<th>Purpose for which built</th>
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<tr>
<td>Reading</td>
<td>185</td>
<td>1845</td>
<td>County Gaol</td>
</tr>
<tr>
<td>when adapted from Borstal use</td>
<td></td>
<td>pre 1877</td>
<td>County Gaol and later military prison</td>
</tr>
<tr>
<td>Shepton Mallet</td>
<td>198</td>
<td></td>
<td>County Gaol</td>
</tr>
<tr>
<td>Stafford</td>
<td>664</td>
<td>1845</td>
<td>Formerly a citadel of Harbour Defence</td>
</tr>
<tr>
<td>The Verne</td>
<td>339</td>
<td>1949</td>
<td>County Gaol</td>
</tr>
<tr>
<td>Wakefield</td>
<td>631</td>
<td>1847</td>
<td>County Gaol</td>
</tr>
</tbody>
</table>

Open Prisons for Men

<table>
<thead>
<tr>
<th>Name</th>
<th>Certified Normal Accommodation</th>
<th>Date first used for custody of offenders</th>
<th>Purpose for which built</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appleton Thorn</td>
<td>311</td>
<td>1960</td>
<td>Wartime or service camp</td>
</tr>
<tr>
<td>Ashwell</td>
<td>300</td>
<td>1955</td>
<td>Wartime or service camp</td>
</tr>
<tr>
<td>Bela River</td>
<td>332</td>
<td>1953</td>
<td>Wartime or service camp</td>
</tr>
<tr>
<td>Drake Hall</td>
<td>380</td>
<td>1958</td>
<td>Wartime or service camp</td>
</tr>
<tr>
<td>Eastchurch</td>
<td>562</td>
<td>1950</td>
<td>Wartime or service camp</td>
</tr>
<tr>
<td>Ford</td>
<td>536</td>
<td>1960</td>
<td>Wartime or service camp</td>
</tr>
<tr>
<td>Haldon (linked to Exeter prison)</td>
<td>144</td>
<td>1949</td>
<td>Ministry of Labour Rehabilitation Centre</td>
</tr>
<tr>
<td>Kirkham</td>
<td>494</td>
<td>1962</td>
<td>Wartime or service camp</td>
</tr>
<tr>
<td>Leyhill</td>
<td>432</td>
<td>1946</td>
<td>Wartime or service camp</td>
</tr>
<tr>
<td>Spring Hill (linked to Grendon)</td>
<td>170</td>
<td>1953</td>
<td>Wartime or service camp</td>
</tr>
<tr>
<td>Sudbury</td>
<td>339</td>
<td>1948</td>
<td>Wartime or service camp</td>
</tr>
<tr>
<td>Thorp Arch</td>
<td>324</td>
<td>1959</td>
<td>Wartime or service camp</td>
</tr>
</tbody>
</table>

Remand Centres

<table>
<thead>
<tr>
<th>Name</th>
<th>Certified Normal Accommodation</th>
<th>Date first used for custody of offenders</th>
<th>Purpose for which built</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashford</td>
<td>361</td>
<td>1961</td>
<td>Former L.C.C. Residential School</td>
</tr>
<tr>
<td>Brockhill</td>
<td>105</td>
<td>1965</td>
<td>Purpose built</td>
</tr>
<tr>
<td>Cardiff</td>
<td>49</td>
<td>1965</td>
<td>Wing of prison</td>
</tr>
<tr>
<td>Exeter</td>
<td>34</td>
<td>1964</td>
<td>Part purpose-built (Part old County Court offices)</td>
</tr>
<tr>
<td>Thorp Arch</td>
<td>84</td>
<td>1965</td>
<td>Purpose built</td>
</tr>
<tr>
<td>Winchester</td>
<td>43</td>
<td>1965</td>
<td>Purpose built</td>
</tr>
</tbody>
</table>

Boys, Women and Girls

<table>
<thead>
<tr>
<th>Name</th>
<th>Certified Normal Accommodation</th>
<th>Date first used for custody of offenders</th>
<th>Purpose for which built</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Newton</td>
<td>76</td>
<td>1965</td>
<td>Purpose built</td>
</tr>
<tr>
<td>Pucklechurch</td>
<td>57</td>
<td>1965</td>
<td>Purpose built</td>
</tr>
</tbody>
</table>

Men, Boys, Women and Girls

<table>
<thead>
<tr>
<th>Name</th>
<th>Certified Normal Accommodation</th>
<th>Date first used for custody of offenders</th>
<th>Purpose for which built</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risley</td>
<td>507</td>
<td>1965</td>
<td>Purpose built</td>
</tr>
<tr>
<td>Establishment</td>
<td>Capacity</td>
<td>Year</td>
<td>Description</td>
</tr>
<tr>
<td>---------------</td>
<td>----------</td>
<td>------</td>
<td>-------------</td>
</tr>
<tr>
<td>Holloway</td>
<td>500</td>
<td>1853</td>
<td>City of London Gaol</td>
</tr>
<tr>
<td>(includes borstal and remand centre)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Styal</td>
<td>198</td>
<td>1963</td>
<td>Former cottage homes</td>
</tr>
<tr>
<td>Askham Grange</td>
<td>63</td>
<td>1946</td>
<td>Converted Country Mansion</td>
</tr>
<tr>
<td>Moor Court</td>
<td>42</td>
<td>1957</td>
<td>Converted Country Mansion</td>
</tr>
<tr>
<td>Bullwood Hall</td>
<td>92</td>
<td>1962</td>
<td>Purpose built</td>
</tr>
<tr>
<td>Exeter borstal</td>
<td>29</td>
<td>—</td>
<td>Part of prison</td>
</tr>
<tr>
<td>East Sutton Park</td>
<td>39</td>
<td>1946</td>
<td>Converted manor house</td>
</tr>
</tbody>
</table>

**Closed Borstals for Boys**

<table>
<thead>
<tr>
<th>Establishment</th>
<th>Capacity</th>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dover</td>
<td>269</td>
<td>1953</td>
<td>Nineteenth Century Fort. New accommodation being built</td>
</tr>
<tr>
<td>Everthorpe</td>
<td>300</td>
<td>1958</td>
<td>Built as prison</td>
</tr>
<tr>
<td>Feltham</td>
<td>320</td>
<td>1910</td>
<td>Industrial School 1856</td>
</tr>
<tr>
<td>Hindley</td>
<td>300</td>
<td>1961</td>
<td>Built as prison</td>
</tr>
<tr>
<td>Huntercombe</td>
<td>140</td>
<td>1946</td>
<td>Country House</td>
</tr>
<tr>
<td>Manchester</td>
<td>303</td>
<td>—</td>
<td>Part of prison</td>
</tr>
<tr>
<td>Onley</td>
<td>300</td>
<td>1968</td>
<td>Purpose built</td>
</tr>
<tr>
<td>Portland</td>
<td>400</td>
<td>1948</td>
<td>Built as convict prison. Converted after 1918</td>
</tr>
<tr>
<td>Rochester</td>
<td>312</td>
<td>1873</td>
<td>Built as convict prison. Extensively reconstructed</td>
</tr>
<tr>
<td>Stoke Heath</td>
<td>304</td>
<td>1964</td>
<td>Built as prison</td>
</tr>
<tr>
<td>Wellingborough</td>
<td>224</td>
<td>1964</td>
<td>Purpose built</td>
</tr>
<tr>
<td>Wormwood Scrubs</td>
<td>316</td>
<td>—</td>
<td>Part of prison</td>
</tr>
</tbody>
</table>

**Open Borstals for Boys**

<table>
<thead>
<tr>
<th>Establishment</th>
<th>Capacity</th>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finnamore Camp</td>
<td>80</td>
<td>1960</td>
<td>Built pre-war as a holiday camp</td>
</tr>
<tr>
<td>(linked to Feltham)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gaynes Hall</td>
<td>180</td>
<td>1946</td>
<td>Country House and wartime camp</td>
</tr>
<tr>
<td>Guys Marsh</td>
<td>265</td>
<td>1962</td>
<td>Former Army hospital</td>
</tr>
<tr>
<td>Hatfield and</td>
<td>220</td>
<td>1946</td>
<td>Army camp</td>
</tr>
<tr>
<td>Gringley</td>
<td>—</td>
<td>—</td>
<td>Land army hostel</td>
</tr>
<tr>
<td>Hewell Grange</td>
<td>120</td>
<td>1946</td>
<td>Country House and wartime camp</td>
</tr>
</tbody>
</table>
### Open Borstals for Boys—continued

<table>
<thead>
<tr>
<th>Location</th>
<th>Capacity</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hollesley Bay</td>
<td>345</td>
<td>1938</td>
</tr>
<tr>
<td>Lowdham Grange</td>
<td>250</td>
<td>1931</td>
</tr>
<tr>
<td>Morton Hall</td>
<td>159</td>
<td>1958</td>
</tr>
<tr>
<td>Pollington</td>
<td>140</td>
<td>1950</td>
</tr>
<tr>
<td>Prescoed (linked to Usk)</td>
<td>120</td>
<td>1939</td>
</tr>
<tr>
<td>Wetherby</td>
<td>220</td>
<td>1958</td>
</tr>
</tbody>
</table>

### Detention Centres for Boys

<table>
<thead>
<tr>
<th>Location</th>
<th>Capacity</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aldington</td>
<td>84</td>
<td>1947</td>
</tr>
<tr>
<td>Blantyre House</td>
<td>100</td>
<td>1954</td>
</tr>
<tr>
<td>Buckley Hall</td>
<td>106</td>
<td>1954</td>
</tr>
<tr>
<td>Campsfield House (Junior Centre)</td>
<td>71</td>
<td>1952</td>
</tr>
<tr>
<td>Eastwood Park (Junior Centre)</td>
<td>101</td>
<td>1968</td>
</tr>
<tr>
<td>Erlestoke</td>
<td>92</td>
<td>1962</td>
</tr>
<tr>
<td>Foston Hall (Junior Centre)</td>
<td>65</td>
<td>1956</td>
</tr>
<tr>
<td>Haslar</td>
<td>100</td>
<td>1962</td>
</tr>
<tr>
<td>Kirklevington (Junior Centre)</td>
<td>76</td>
<td>1963</td>
</tr>
<tr>
<td>Latchmere House</td>
<td>131</td>
<td>1948</td>
</tr>
<tr>
<td>Medomsley</td>
<td>100</td>
<td>1961</td>
</tr>
<tr>
<td>New Hall</td>
<td>75</td>
<td>1936</td>
</tr>
<tr>
<td>North Sea Camp</td>
<td>95</td>
<td>1935</td>
</tr>
<tr>
<td>Send (Junior Centre)</td>
<td>73</td>
<td>1962</td>
</tr>
<tr>
<td>Swinfen Hall</td>
<td>182</td>
<td>1963</td>
</tr>
<tr>
<td>Usk</td>
<td>100</td>
<td>1838</td>
</tr>
<tr>
<td>Werrington</td>
<td>100</td>
<td>1957</td>
</tr>
<tr>
<td>Whatton</td>
<td>200</td>
<td>1966</td>
</tr>
</tbody>
</table>

**Notes:**
- Former L.C.C. Agricultural School. New buildings added since war
- Purpose built
- Former R.A.F. station
- Former Army camp
- Purpose built
- Former R.N. Training Establishment
- Former agricultural camp with additional buildings
- Formerly farm house and buildings (Mr. Fegan’s Homes)
- Converted country house
- Converted country house
- Converted country house
- Purpose built by inmate labour
- Country house and former Ministry of Defence camp
- Purpose built as borstal boys
- Built in 1936 as open prison
- Built largely by borstal boys
- Addition to former isolation hospital
- Purpose built as borstal
- Old County Gaol
- Former local authority building
- Purpose built
203. There are about 15,000 public servants working in the prison service. Their wages and salaries in the last financial year amounted to about £24m., something over half the total cost of the prison system. Like any other service or organisation dealing with people the prison system is, therefore, "labour intensive" and it is important that staff should be of the right quality, well trained and efficiently used. This Part gives some account of the work and training of the many different types of people employed by the service and emphasises in particular the role of the modern prison officer. It also deals with the organisation of the service, both at headquarters and in institutions, and discusses some of the decisions that have to be made about the best use of the human resources available.

204. The following table shows the main groups of staff and the type of institutions at which they work:
### STAFF IN POST ON 1st JANUARY 1969 BY GRADE AND TYPE OF ESTABLISHMENT IN WHICH SERVING

<table>
<thead>
<tr>
<th>Establishment</th>
<th>Governor Grades</th>
<th>Prison Officer Grades</th>
<th>Medical Officers, Chaplains and other Professional Grades</th>
<th>Executive, Clerical and Typing Grades</th>
<th>Other non-Industrial Grades</th>
<th>Industrial Grades</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Prisons and Remand Centres</td>
<td>100 M. 14 F.</td>
<td>4,214 M. 289 F.</td>
<td>179</td>
<td>660</td>
<td>331</td>
<td>367</td>
</tr>
<tr>
<td>Closed Training Prisons</td>
<td>67 M. 2,433 F.</td>
<td>76 307</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open Training Prisons</td>
<td>25 M. 6 598 F.</td>
<td>24 137</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training Borstals</td>
<td>116 M. 6 1,518 F.</td>
<td>50 235</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detention Centres (including Junior Detention Centres)</td>
<td>19 M. 633 F. 30</td>
<td>26 94</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff of Training Establishments</td>
<td>21 M. 29 F.</td>
<td>1 8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Entrants under Training</td>
<td>46 M. 304 F.</td>
<td>94 135</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>394 M. 9,729 F.</td>
<td>356 1,441</td>
<td>910</td>
<td></td>
<td></td>
<td>1,457</td>
</tr>
</tbody>
</table>

**GRAND TOTAL 14,792**

(In this table two part-time staff count as one full-time officer. The table does not include Tutor Organisers and Prison Welfare Officers who are not appointed by the prison service although the cost is met from the Prison Vote.)
INCREASE IN STAFF

205. The following table shows how the total number of staff has increased since 1964:

<table>
<thead>
<tr>
<th>Year</th>
<th>Average prison Population</th>
<th>Total Prison Officer grades in post at end of year</th>
<th>Total staff in post at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>29,600</td>
<td>8,109</td>
<td>11,770</td>
</tr>
<tr>
<td>1965</td>
<td>30,421</td>
<td>8,261</td>
<td>12,042</td>
</tr>
<tr>
<td>1966</td>
<td>33,086</td>
<td>8,909</td>
<td>12,883</td>
</tr>
<tr>
<td>1967</td>
<td>35,009</td>
<td>9,532</td>
<td>13,810</td>
</tr>
<tr>
<td>1968</td>
<td>32,461</td>
<td>10,202</td>
<td>14,792</td>
</tr>
<tr>
<td>1st July 1969</td>
<td>34,782</td>
<td>10,607</td>
<td>15,245</td>
</tr>
</tbody>
</table>

Various factors in the past few years have made it necessary to increase the staff. They include the increase in the numbers of offenders in custody, the opening of new establishments, usually smaller than those of a previous age, and requiring a greater ratio of staff to offenders, new security and escort duties, the development of new activities and new methods of treatment and the decision to allow offenders more time out of their cells. The Prison Department must always be seeking ways to use staff more economically but, in general, improvements in the prison system entail additional staff, although in some cases (e.g. automatic locking systems) they should lead to economies.

GOVERNORS AND ASSISTANT GOVERNORS

206. The governor of a prison is responsible for the maintenance of security, good order and discipline, for the effective co-ordination of the work of all the members of his staff, for the regime of the establishment and the treatment and training of offenders, and for the proper use of public money and property. This is a formidable assignment. It requires qualities of leadership and management, allied to a continuing concern for individuals. Assistant governors have managerial and administrative responsibilities for certain parts of an establishment, or certain aspects of its work, or for the devising and implementation of the methods of training offenders. They play a large part in assessing the suitability of offenders for parole, and in selection for home leave or pre-release employment schemes.
RECRUITMENT OF GOVERNORS

207. There are about 400 governors and assistant governors. They are at present recruited in three ways:

(a) by an annual limited competition open only to serving members of the prison officer class;

(b) by the promotion of chief officers;

(c) by open competition.

Some prison officers, and occasionally other members of the prison service, enter the Governor class by open competition, but, in the main, successful candidates in the competition have come from outside the service, some direct from Universities, others after experience in a wide variety of occupations. The following table gives the details of recruitment in the last five years:

<table>
<thead>
<tr>
<th></th>
<th>Limited competition (prison officers only)</th>
<th>Promotion (chief officers)</th>
<th>Open competition (open to those in and outside the Service)*</th>
<th>Total</th>
<th>Total from prison officer class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>5</td>
<td>1</td>
<td>16 (0)</td>
<td>22</td>
<td>6 (27%)</td>
</tr>
<tr>
<td>1965</td>
<td>6</td>
<td>1</td>
<td>19 (4)</td>
<td>26</td>
<td>11 (42%)</td>
</tr>
<tr>
<td>1966</td>
<td>10</td>
<td>1</td>
<td>15 (1)</td>
<td>26</td>
<td>12 (46%)</td>
</tr>
<tr>
<td>1967</td>
<td>10</td>
<td>1</td>
<td>39 (4)</td>
<td>50</td>
<td>15 (30%)</td>
</tr>
<tr>
<td>1968</td>
<td>13</td>
<td>2</td>
<td>39 (7)</td>
<td>54</td>
<td>22 (41%)</td>
</tr>
</tbody>
</table>

208. 151 serving governors have come from within the service and, as the table shows, the number of such governors has risen over the years. But demand has risen also and, while it has been the aim of successive governments since 1948 to recruit as far as possible from within the service, progress in this direction has been slow. The Government is convinced that there is much untapped talent within the service and that faster progress towards a unified service would be beneficial. A working party of departmental and staff representatives under the chairmanship of the Director General of the Prison Service has been set up to examine this problem. Its terms of reference are:

“(1) To recommend what changes are necessary to secure that over a period a one-tier system is introduced into the Prison Service in England and Wales and that meanwhile an increasing proportion of the vacancies in the governor class is filled from within the Prison Service; and for this purpose

*Figures in brackets indicate the number of serving members of the prison officer class.
(2) to examine:

(a) what modifications are needed in the arrangements for the recruitment of prison officers, their conditions of entry and opportunities of promotion to assistant governor;

(b) what improvements are needed in the facilities available to suitable prison officers wishing to prepare for such promotion; and

(c) what steps are needed to remove any circumstances which may deter officers from seeking such promotion”.

THE MEDICAL SERVICE

DOCTORS

209. The Prison Medical Service is staffed by some 90 full-time medical officers and an equal number of part-time medical officers who are usually also general practitioners in the National Health Service. There are also visiting specialists, including psychotherapists, dentists, surgeons, anaesthetists and venereologists. The Working Party on the Prison Medical Service, which reported in 1964, recommended the establishment of posts in forensic psychiatry jointly between the Home Office and the various regional hospital boards. Four consultant posts have, so far, been created, and further appointments of joint consultants and registrars will be made as suitable candidates are found.

OTHER STAFF

210. The medical staff is supported by nursing sisters and hospital officers, and the service employs its own pharmacists. The nursing sisters are under the direction of the Nursing Matron-in-Chief and are mainly stationed in establishments for women and girls and for boys, but some are also in post at Wormwood Scrubs and Grendon. Hospital officers are members of the prison officer class and whenever possible are recruited from men who are qualified as state registered or enrolled nurses. As the number from this source is inadequate for the needs of the service anyone (including any serving officer) who has experience of, or an aptitude for, nursing may apply to be trained as a hospital officer. All potential officers must first undergo the normal initial training course for prison officers and obtain some experience of discipline duties. They then attend special training courses, at the end of which they take an examination, success in which qualifies them for the Prison Nursing Certificate.

PSYCHOLOGISTS

211. The Prison Department now employs 60 psychologists and 20 psychological testers, their services being used in a wide variety of ways. When psychologists were first appointed to the prison service their role was seen mainly as the diagnostic assessment of prisoners on remand, and some psychologists still do this work in local prisons or remand centres. Others work in allocation centres contributing to the initial assessment of prisoners received on conviction, and others in training prisons where the task may be that of assessing change in attitudes and behaviour during sentence. Whatever the area of his work, the
psychologist aims to provide recommendations on which operational decisions may be made and to collect data for evaluative research into the effectiveness of the system to which he is contributing. Psychologists have played a considerable part in the development of group counselling at certain establishments to which reference was made in paragraph 43, and they take training and support groups for the staff engaged on this work. In his general approach to his work in the prison service, the psychologist aims to assess and understand institutional processes and the ways in which they can affect both prisoners and staff.

ADMINISTRATION

212. Working under an Administration Officer there is, in effect, a secretariat in each establishment whose staff are drawn from the general Civil Service executive, clerical and typing classes. As the number of offenders in custody increases so does the work of this administrative staff, for example in correspondence with the courts and the police. New legislation can also add considerably to its work—the parole scheme introduced by the Criminal Justice Act 1967 made substantial demands on staff responsible for obtaining, assembling and copying the necessary documents. Normally, the administrative staff are not directly involved in the treatment or supervision of offenders, although there are some areas, for example in the new provisions concerning legal aid, where, in co-operation with prison officers, they do play such a part; but the smooth running of the establishment and the ability to reach informed decisions about the treatment of offenders obviously depend on the efficiency of the administrative machinery.

OFFICE ACCOMMODATION

213. Staff must be given decent working conditions. Too often, with the increase in numbers in recent years, the office accommodation—whether for professional staff, prison officers or administrative staff—is inadequate and overcrowded. Some staff have to work in converted cells, others in temporary accommodation. There are some establishments where new buildings provide satisfactory working conditions; and part of the modernisation programme of older buildings must be devoted to bringing more offices up to this standard.

PRISON OFFICERS

214. Two thirds of the staff employed in prison service establishments are the prison officers. The general public all too often sees these officers as gaolers, and little more. This picture is false.

SPECIALISATION

215. Prison officers may be divided into two broad groups: 7,500 carry out the general work of the establishment including, at a local prison, the work at the courts. The remaining 2,500 have chosen to specialise, at least for part of their career. The specialists, in this sense, include the instructors referred to in paragraph 217 below, the hospital officer, catering officer, physical education instructor, the dog handlers and the trade assistants and works officers. The trade assistant is responsible for carrying out works services (for example
maintenance work, plumbing, carpentry, decorating) and for the instruction and supervision of offenders engaged on such work. The works officer is a more senior officer with general responsibility for this work in an establishment. New physical security arrangements and the new impetus to improve the physical conditions of old buildings, together with the never-ending maintenance work in obsolete buildings, have combined to place a heavy burden on this group of prison officers in recent years.

THE TREATMENT OF OFFENDERS

216. Much of the time of the general prison officer is spent on custodial duties, including court and escort work, and recent measures to improve security have added considerably to those essential tasks. But the prison officer has been encouraged in recent years to become more involved in the treatment of the offenders he deals with. A Working Party, which includes representatives of management and staff, meets regularly to explore areas in which the prison officer can play a more constructive role, and has already made good progress. In many establishments an officer now has the responsibility for a group of offenders whom he can get to know and in whose activities he may join. The assessment and recording of information about offenders, for example in classification procedures and for parole, provide prison officers with opportunities for new and rewarding work, and often reveal new skills which, with training, are of great value in the modern treatment of offenders.

INSTRUCTORS

217. Personal influence is often best exercised when working together on a job, and there is probably no section of the staff better placed to influence offenders than the instructors in the workshops and on the prison farms. There are altogether some 1,160 instructors, 650 belonging to the prison officer grades. The rest are civilian instructional officers. While in many workshops discipline is still maintained by prison officers undertaking general custodial duties, experience shows that in an increasing number of cases security and discipline in the shops can be left to the instructors themselves. This points to the need for greater training of civilian instructors in the treatment of offenders so that they can make a contribution to the work of their establishment which goes beyond their technical and managerial work. Equally, as the place of industry in the regime of a prison becomes more important, there is a need for members of the staff to learn more about the functioning of industry.

HIGHER GRADES OF PRISON OFFICERS

218. The Chief Officer in each establishment is responsible to the Governor for the deployment and efficient use of the prison officers under his control. Under the Chief Officer are a number of Principal Officers whose main responsibilities may be in one wing or house of an institution and who are increasingly being given a managerial role. Last year, in accordance with a recommendation of the Mountbatten Report, a third grade called Senior Officer was introduced. So far over 900 basic grade officers, including 100 specialist officers, have been promoted to this new rank.
STAFFING NEEDS

219. For some years past there has been a need for more prison officers. Their changing and developing role and the move towards giving them a five day week have added to the shortage. In the last three years there have also been added the heavy security duties already mentioned, and further escort duties. The effect of all this together with the improved classification procedures, the operation of the parole and legal aid schemes and the extension of evening association for prisoners, has been to produce a serious shortage of trained officers.

EFFICIENCY

220. There are three ways of meeting this shortage: by economies in the use of manpower, by recruitment, and by overtime working. A survey is now being made of the utilisation of manpower among prison officer grades in certain establishments. Another study—also conducted by Home Office Management Services in co-operation with the prison service—has been made of arrangements for escorting offenders to and from court and from one establishment to another. There must be other such studies. The prison service, like any other, has its share of hallowed customs and procedures that have outlived their usefulness.

RECRUITMENT

221. Regardless of the fruits of such studies, the recruitment drive must continue. This diagram shows the rise in the total number of officers in post in each year since 1958. It also shows the planned rate of growth in future years based on a current assessment of staffing requirements and assuming recruitment and wastage continue at about the present rate.

Experience has shown that advertising in newspapers is an effective way of obtaining recruits. £180,000 was spent in the financial year 1968/69 on such advertisements. In the same year, and in line with a recommendation in the Report of the Select Committee on Estimates, new recruiting arrangements were brought into operation, involving four permanent selection boards able to make immediate offers of appointment to suitable candidates, subject to satisfactory references and other checks. Formerly the selection was carried out in stages, the final appointment being made at the training school some three months after the recruit had joined the service.

222. The recruitment target for the financial year 1969/70 is 1,150. This allows for a net increase of about 750 — which is as many new officers as the service can effectively train and absorb. There may well be a shortage of 750 basic grade officers at this end of 1970. Allowing for normal wastage and for the opening of new establishments and for new duties already foreseen, it would be unrealistic to think that the staffing of all establishments can be brought to a desirable level for several years.
Increase in prison officer strength 1958–73

Total number of prison officers of all grades in post at end of year

Forecast
223. Staff shortages must be made good by overtime. The staffing needs of institutions vary from day to day, for example with the incidence of court work and escorts, and it would be wrong to base permanent staff complements on periods of peak activity. It will never therefore be possible to abolish overtime in the prison service entirely. But at present it is a matter of great concern that prison officers must regularly work overtime (both in the way of additional hours and of rest day working) to an extent which impairs efficiency and may affect health and welfare.

224. The prison service, like other public services, has increasingly come to realise in the last few years that training is not a once-for-all operation at the beginning of a career. Central training in the service is undertaken at the Wakefield Staff College, with residential accommodation for 110 students, and at two Officers’ Training Schools, one at Leyhill and one in new premises at Wakefield, which together have over 250 places. A Principal Officer at every prison has part-time responsibilities for training, but the possible amount of formal staff training varies greatly from one establishment to another.

225. Prison Officers have three months’ training on joining the service, two of which are spent at a Training School to which they return for a fortnight at the end of their year’s probation. This first year should be planned with training very much in mind although this ideal is rarely attainable in busy short-staffed establishments. On promotion to Principal Officer or Chief Officer, officers attend courses at the Wakefield Staff College, where the emphasis is on management, and there are specialist courses for security officers, for those in charge of pre-release hostels and for others.

226. The initial training of assistant governors aims to provide the basis on which management, custodial and institutional social work skills can be developed. The course lasts eight months, part of which is spent working in prisons or borstals and with the probation and after-care service. There are short courses for members of the governor grades and other senior staff at various stages of their career, and there is one for probation officers on appointment as prison welfare officers. The graph below shows the number of students attending courses at the Staff College in each academic year since 1962/63.
Governors and professional staff taking courses at Staff College, Wakefield

Uniformed officers taking courses at Staff College, Wakefield
WIDER EXPERIENCE

227. The prison service does not and should not attempt to be self-sufficient in its training programme. The staff are encouraged to attend courses arranged by the extra mural departments of Universities and local Colleges of Further Education. About 800 attended such part time courses last year. A small number attend full time courses such as those at the Cambridge Institute of Criminology. There are links with other Universities, particularly at Leeds, where five lecturers also teach at the Wakefield Staff College. Since prison staff should have the opportunity of getting to know members of other services with common problems, an increasing number of prison officers now spend a few days attached to the local probation and after-care service or to psychiatric hospitals. Some staff are enabled, under the auspices of the Council of Europe, to study the penal systems of other countries, and the Prison Department is regularly represented at international conferences.

228. All this emphasises that training is not to be seen as merely the absorption of knowledge or skill. It is an opportunity for sharing experience and discussing common problems. Too little is done at present to bring together in this way people of different grades and disciplines within the prison service itself. The Staff College has organised some small and successful joint conferences, but if it is to do more of this work, and if its staff are to carry out a programme of evaluation and research into the aims and effectiveness of training, the College will need new and more suitable premises.

THE ORGANISATION OF THE PRISON DEPARTMENT

229. Unlike many of the other civilian services for which central Government has a general responsibility, the prison service is directly administered as part of a Government Department and not by a local authority or public corporation. This direct Ministerial responsibility reflects the frequent and proper public and parliamentary interest in the treatment of people in custody. It is one indication of this interest that Home Office Ministers in 1968 answered over 100 Parliamentary Questions and about 1,500 letters from Members of Parliament on the treatment of particular offenders in custody, on parole, and on various matters dealt with by the Prison Department. Increasingly the work of that Department is linked to that of the Probation and After-Care Department of the Home Office as well as to that of the Department of the Office with responsibilities for the criminal law. The prison service also needs to be in close touch with the development of modern management techniques in the public service.

MANAGEMENT REVIEW

230. The Government accordingly decided to carry out a wide ranging review of the organisation, functions, management and administrative practices of the Prison Department. This review was entrusted to a team including members of the Home Office and Civil Service Department Management Services and of outside consultants. They obtained and discussed the views of members of the
Department, both at Headquarters and in institutions, and of the Staff Associa-
tions. There was general agreement that:

(a) Too much detailed work was centralised at headquarters.

(b) It was necessary to establish clearer lines of authority and responsibility
    at headquarters, and between headquarters, regions and the field, and
    to integrate the work of the administrative and executive classes and of
    the professional advisers.

(c) There was inadequate provision for planning the use to be made of
    available resources, and for assessing the effect and value of changes in
    the treatment of offenders in custody. A planning organisation divorced
    from the heavy pressure of Parliamentary and other day to day work
    was needed.

(d) Inspection had been too closely linked with executive functions and
    had not been sufficiently comprehensive.

The Review Team put forward proposals designed to remedy these and other
deficiencies, proposals which were generally in line with the recommendations of
the Fulton Committee on the organisation of the Civil Service. Some members of
the Review Team had been associated with that Committee.

THE NEW STRUCTURE

231. The Government announced earlier this year the changes it had decided to
make in the management structure of the Prison Department following the
management review. A Deputy Under Secretary of State was appointed full
time Director General of the Prison Service, while retaining a responsibility for
the Parole scheme. The day to day work of the Department and the service
became the joint responsibility of a Controller (Administration) and a Controller
(Operations). The appointment of a Controller of Planning and Development
gave one person responsibility for the direction and co-ordination of all medium
and long-term planning for the service. The Inspector General, freed of executive
responsibilities, became head of a new team to carry out a co-ordinated inspection
of all aspects of the work of institutions. This team could call on the services of
people of different disciplines and different previous experience. A new and
smaller Prisons Board was set up which, subject to the general supervision of the
Permanent Under Secretary of State and the direction of Ministers, shares
collectively in the formulation of major policy developments and decisions. The
Director General is Chairman of the Board, and its five other members are the
Controllers of Administration, Operations and Planning and Development, the
Inspector General and the Director of Prison Medical Services.

232. Under the new organisation there are no longer senior posts which are the
exclusive preserve of members of the administrative or executive classes of the
Civil Service and others which are the preserve of those who have previously been
governors of prisons or borstals. Nor are the latter seen primarily as advisers.
Staff of different backgrounds and experience work as an integrated team. The
following chart gives the main features of the new organisation.
REGIONALISATION

233. A regional office of the Prison Department had already been established at Manchester. The Government now proposes to develop as rapidly as possible a regional structure in each of the four regions into which the country is divided for this purpose (Northern, Midlands, South Eastern and South Western). This will enable a great deal of detailed work and correspondence to be devolved from the London offices, and will enable each institution to obtain decisions, advice and assistance from a regional management that does not seem remote from it. The new arrangements, together with the proposed system of regular inspections, should assist in the flow of information throughout the service, making each institution more aware of its particular role in the system, and of the total demands on resources that prevent its own particular needs being met as quickly as the governor and his staff would like.

MANAGEMENT OF INSTITUTIONS

234. In the past, prisons have sometimes changed too radically with a change of governors and although many important improvements in the system have had that origin, decisions about the allocation of resources must be accompanied by the efficient management of individual institutions. The first need is for a definition of the role of each institution within its region and within the system as a whole. Personal initiative is still needed, and the opportunity to put forward fresh ideas, but it is important that developments should not be started if there is no reasonable prospect of the resources becoming available to complete them, and that the continuation of experiments should not depend on the enthusiasm of one or two individuals. The creation of the new planning and development organisation should mean that the future role of each institution in the system is planned more carefully than has been possible in the past, although so long as the sheer pressure of numbers continues unabated there may have to be occasional changes in the role of institutions.

TRADITION AND CHANGE

235. The efficient management of a prison or borstal is not easy. Since the war institutions have undertaken new tasks and recruited new grades of staff to perform them. Assistant governors are used in very different ways in different establishments, some largely in a managerial role and some largely as case workers; and the development of casework has bred a good deal of uncertainty and experimentation concerning the relative responsibilities of the assistant governor, the prison welfare officer and others. The variety of tasks to be performed makes it the more important that all staff should understand how their particular role in an institution relates to the general regime. Some governors have recently found it helpful to designate all the senior staff as part of a management group, with scope for formal and informal means of consultation between the governor and staff of all ranks. In the future development of the prison service there may well be a need, as Lord Mountbatten pointed out in his Report, for radical changes in the internal organisation of institutions, with more differences than at present between one institution and another.
236. The interests of the staff themselves and of their families, whose life is affected by their hours of work, must never be forgotten. There is an increasing expectation that all staff will be able to work the five day week that most have at present and will have alternate weekends free of duty. Accordingly, since offenders are in custody for 24 hours a day 7 days a week and some staff have always to be on duty, a major problem in the next ten years is going to be the accommodation of all the various activities within staff working hours. It will become more acute as a greater proportion of prisoners become fully occupied for seven or eight hours a day for five days of the week in productive industry or in building work. Difficult decisions will have to be taken on such questions as whether family visits, interviews with prison welfare officers, group work and many other activities should be allowed to cut into the normal working hours or left to be fitted into the remainder of the day or weekend. The answer cannot be the same at all institutions and must depend partly on the role of the institution within the system. There are a wide variety of people in custody. We must provide a wide variety of regimes and opportunities for them.
VIII

CONCLUSION

NUMBERS AND OVERCROWDING

237. Two factors have dominated the history of the prison service ever since the war. The first is the rise in numbers, and the consequent overcrowding. The second is the development of alternatives to the traditional form of imprisonment.

RISE IN NUMBERS

238. In 1967 the daily average number of people in custody was the highest ever recorded: 35,000. It fell in 1968 to 32,500. (This was primarily due to the provisions of the Criminal Justice Act 1967 summarised on page 000, which were designed to reduce the number of people sent to prison for short periods.) The daily average in the first half of 1969 has been nearly 34,000. On the best evidence available, and taking account of recent crime figures and the likely growth of the total population of England and Wales, the Government believes that the prison service must plan on the assumption that the number of people in custody is likely to continue to rise by over 1,000 a year, thus reaching about 40,000 by the early 1970's.

OVERCROWDING

239. There are today about 9,000 prisoners sleeping two or three in a cell. Overcrowding is the worst feature of our prison system, worse even than the old buildings in which it takes place, and its effects are seen throughout the system. It is true that it has been found to be possible for men to sleep two or three in a cell with surprisingly little friction and with no obvious detriment to health. Some men prefer the company. Others feel the total lack of privacy. But it is not so easy, though it has to be done, to overcrowd men in workshops, to produce more meals from the same kitchens, to give more men baths in old bath houses, or to supervise more visits in the same visiting room. Overcrowding weakens security and makes it more difficult for staff to get to know prisoners. Shortage of places in training prisons means that many men must remain in local prisons throughout their sentence. Shortage of places in training borstals means that young offenders have to wait in local prisons, or in allocation centres, for a vacancy. This waiting period is sometimes far too long and makes a deplorable start to a borstal sentence. With the general pressure on numbers it sometimes seems that the wonder is not that things occasionally go wrong, especially in overcrowded local prisons, but that the system functions as well as it does.
240. The traditional form of imprisonment involved sending people to a building designed largely for solitary confinement, providing the minimum necessities of life and allowing the minimum contact with the outside world. Samuel Taylor Coleridge wrote in *The Devil's Thoughts*:

“As he went through Cold-Bath Fields he saw
   A solitary cell;
   And the Devil was pleased, for it gave
   him a hint
   For improving his prisons in Hell.”

Offenders were kept in prison for a predetermined period and then released abruptly to complete freedom. The account given in this White Paper of the various aspects of the work of the modern prison service shows how far we have moved from this concept of imprisonment to a more constructive one.

**DETENTION CENTRES AND BORSTALS**

241. Most offenders under 21 whom the courts commit to custody for a short period no longer go to prison at all; they are sentenced instead to a period in a detention centre. The Government has virtually completed a programme for building new detention centres so that this alternative to imprisonment is now available to courts in all parts of the country; and in 1968, for the first time, the supply of places was adequate to meet the current demand. The borstal system has long provided an alternative to the traditional forms of imprisonment for young offenders, and it has expanded since the war so that it now provides the normal method of treatment for those under 21 whom the courts commit to custody for a period of between six months and two years.

**OPEN PRISONS**

242. Another major development since the war has been the use of open prisons for adult prisoners. About 4,000 places have been provided in these prisons, and the selection of men and women for transfer to them is but one example of the increasing importance of assessing individual offenders, and developing a range of different prisons with different degrees of security and with different regimes.

243. A beginning, though only a beginning, has been made in providing a wider range of prisons for adult offenders. Prisons such as Wakefield and Maidstone pioneered the idea of the training prison with a full and constructive day's work. Other prisons, notably Blundeston, have concentrated on the rehabilitation of “inadequate” offenders. At Grendon psychiatric prison important work has been done in the treatment of disturbed offenders.

**THE CHANGE IN ATMOSPHERE**

244. One must not exaggerate the extent of all these changes. About 40 per cent of all those in custody, and more than half the adult men, are in overcrowded
local prisons. Some borstals are in prison buildings. Moreover, the designation of an institution as a detention centre, a borstal or a training prison does not, of itself, alter the basic condition of custody, the artificiality of the inmate’s life, the boredom or the drab uniformity. On the other hand, even in the Victorian buildings in which most prisoners still live, there have been great changes. The last vestiges of the rule of silence have long since disappeared in the noise of radios in workshops, and people in custody may now talk freely to each other. So far as the severe limitations of space and shortages of staff allow, offenders in prison, as well as in borstals and detention centres, now eat meals together and can associate with each other in the evening. Books, radio, television and newspapers provide some contact with the world outside. Above all, staff of all grades are now encouraged to get to know offenders and to concern themselves with their treatment. All this has produced a change in atmosphere, and in the attitudes of staff and prisoners to each other.

**WILL PRISONS DISAPPEAR?**

245. Some people feel that our society ought to be able to do without prisons. The Government hopes that in the years ahead new penalties and new methods of treatment, and the greater use of existing alternatives to prison, will further reduce the proportion of offenders committed to custody. Hopes too that there will be further changes designed to break down the old rigid barriers between a period of incarceration and a period of complete freedom. There may be extensions, for example, of the scheme under which long sentence prisoners can already spend the last six months of a sentence working for an outside employer or of the experiment under which young offenders at borstal live in a hostel and go out each day to work. There may be extensions of the Parole scheme and of after-care hostels for inadequate offenders. But no large modern state has found it possible to dispense with some form of imprisonment. Whatever may be the changes in our penal system in the last third of the twentieth century there is no immediate prospect of the prison system withering away. Indeed it is likely that there will be more people in custody in the next few years than ever before. These are unpalatable facts, but they will not be altered by our wishing they were otherwise.

**BUILDINGS AND STAFF**

246. The community has been slow to accept the need for new prisons and borstals, and equally slow to recognise the need to devote resources to the improvement of existing buildings. There is a vast backlog to be disposed of before the service is within sight of even its more limited aims—the elimination of overcrowding and the provision of currently acceptable living conditions for all those in custody. Indeed the number of those in custody is likely to rise more quickly in the years up to 1972 than the number of new places becoming available for them. On the other hand the Government has set in hand a regular and properly planned building programme. The total capital expenditure planned for 1970/71 is about £10m. and this figure should increase in future years. Equally important, the balance is being adjusted so that a greater proportion of the resources made available to the prison service is devoted to capital expenditure.
The ratio of capital to current expenditure which was only 1:7 in 1959, will be about 1:4 next year and is likely to be higher than 1:3 in a few years’ time. This means that the last third of the twentieth century will be as important a period as the middle of the nineteenth century in altering the shape of the buildings in which and with which the prison service has to work.

THE CONTROL OF RESOURCES

247. It is not enough simply to ask for more resources to meet increased demands. The more complex the system and the greater the resources devoted to it, the more important it is that the management of the prison system should be efficient. Efficient organisation is not an end in itself, although the taxpayer is entitled to require that his money is well spent and that the service for which he pays will be well administered. Only if the organisation is efficient can the efforts of all members of the prison service be consistently directed to achieving its aims.

STAFF

248. The most important of the resources available are the 15,000 members of the prison service. More than half the money devoted to the prison service each year is spent on their wages and salaries. While there are some purely custodial duties in which new equipment and modern techniques, such as automatic locking, can be of great assistance, the treatment of people in custody must depend on the humanity, skill and training of the staff. The Government's plans for improving the training of staff emphasise the need for training throughout a career, and the importance of training staff of all disciplines to understand their role in the service and how that role relates to that of their colleagues.

249. The complement of the prison service has increased by about 1,000 a year in the last few years. The Government plans for a further increase of 1,000 in the current financial year and hopes that this rate of increase can be maintained.

STAFF FOR THE TASKS OF THE SERVICE

250. The extra staff are needed if the service is to carry out its first task of detaining people in custody in currently acceptable conditions. For example, the security duties found necessary to reduce the rate of escape from closed prisons require more staff. It is not currently acceptable to hold large numbers of offenders in solitary confinement, and it requires more staff to supervise men who are in association with each other than it did to supervise them when locked in their cells. Since everything that happens to people in custody must be seen as part of their treatment, the additional staff needed when offenders work for longer hours, or have more frequent visits, are contributing also towards the second task of the service: the rehabilitation of the offender.

251. Staff are also needed for the development of the further education service for those in custody, using modern skills and techniques, and for the continued expansion of medical and psychiatric treatment especially of the disturbed and unstable offender.
EVALUATION

252. There is a natural desire to press ahead with all these activities. But many make heavy demands on staff. Some require skilled and highly trained professional staff, and others a substantial increase in the ratio of staff to prisoners so as to allow treatment of offenders in small groups. Moreover, many of these methods of treatment have not yet been adequately evaluated, and their efficacy in altering the attitudes and behaviour of offenders after they leave custody is unproven. Not enough is known, for instance, about the effects of long periods of imprisonment and it is hoped that research already in progress will throw more light not only on the effects of prolonged imprisonment, but also on the development of effective forms of custodial treatment for these men. Although the number of such prisoners is still small it is growing and many of them are vicious, ruthless and resourceful, so that they impose a totally disproportionate strain on the human and material resources of the prison service. One of the most difficult problems in any service is to know how far to assign resources to the evaluation of work already in progress and how far it is right to expand activities which, though apparently promising, have not yet been fully evaluated. In the next few years the emphasis may well need to be on more careful evaluation of small scale experiments in the treatment of offenders rather than on the planning of a general expansion of methods of treatment that make heavy demands on limited resources.

AFTER-CARE AND THE CONTRIBUTION OF THE PUBLIC

AFTER-CARE

253. The probation and after-care service is now responsible for the after-care of all groups of offenders, including those released on parole. If after-care is to be further developed as a major aspect of the treatment of offenders the service will need more trained staff, most working in the community but a proportion working as welfare officers in penal institutions. There were 2,100 established probation officers in 1964. There are over 3,100 today and the Government expects that there will be 3,500 by 1971. Associated with them will be an increasing number of voluntary workers.

254. The Government intends to do all it can to encourage and assist voluntary organisations to expand the work of after-care hostels. The Government is already making grants to 72 hostels in which nearly 800 places are available for people discharged from custody and it is hoped that at least another 1,000 places may be provided in the next few years.

THE CONTRIBUTION OF THE PUBLIC

255. Members of the public have an important part to play in after-care. Voluntary organisations can provide hostels, private individuals can befriend the discharged prisoner and his family and can work as volunteers under the guidance
of the probation and after-care service. Private persons can also assist while offenders are in custody. Voluntary organisations and private individuals may, for example, be able to help the wives and families of offenders to meet the loneliness and hardship that the sentence may inevitably cause them. They can help during visits by looking after children. They can act as prison visitors. They can provide transport for relatives and friends to visit people in prison.

256. It is not only the individual offender who can benefit from the maintenance of a link with the community. So can the staff of the institution in which he is detained. For example, the local College of Further Education or University may assist with the training of staff. On special occasions the local parish may worship in the prison chapel. The Government thinks it important that a prison or borstal should develop ties with the local community. There may be a sports day to which local people come, or an "open day" during which the local press and members of the public can learn of the work of the institution. There is the formal and valuable link provided by the Board of Visitors or Visiting Committee for the institution.

257. The Government believes that such links with the local community help the staff to see themselves as members of that community and enable the public to take a more informed interest in what is being done in their name. For the routine opposition that is so frequently expressed to any proposal to build a prison or borstal, or to set up a hostel for ex-prisoners, in a particular area is often an opposition based on lack of information. The Government and the prison service have an obligation to provide such information. This is why facilities are now freely given to research workers and others to study the work of the prison service, and why reporters and cameramen from press, radio and television are given much more access than hitherto.

258. The share of national resources given to the prison service and the probation and after-care service must, in a democracy, reflect in part the degree of public knowledge, public understanding and public support of their work. It also reflects something of the values of a nation, changed as they are from the days when Hawthorne could write of "the black flower of civilized society—a prison". These services are charged with the duty of looking after and endeavouring to rehabilitate the offenders whom society has for a time, and for lack of any safe alternative, committed to custody. A society that believes in the worth of individual human beings can have the quality of its belief judged, at least in part, by the quality of its prison and probation services and of the resources made available to them.

**A very brief account of the duties of these bodies is given in the glossary on page 277.
APPENDIX
PROFILE OF POPULATION IN PRISON SERVICE ESTABLISHMENTS

1. The following paragraphs aim to give certain facts about people in custody: how many there are; how old they are; of what offences they have been convicted; what sentences they are serving and in what type of institution and how many times they have been in custody before. Some comparisons are made with earlier years. All the figures relate to England and Wales. Much of the information comes from an analysis of the different groups of people sent to custody ("receptions") in 1967, some comes from an analysis of the average population of prisons, borstals and detention centres in 1968 and some from a special analysis of the records now available on a Home Office computer of all those in custody in March 1969. The totals in the different tables are not therefore identical. Figures for prisons include remand centres.

THE TOTALS FOR 1968

2. The charts below show the main groups of people in custody in 1968.

People in custody 1968

31,656 male

805 female

Main groups of males in custody 1968

At a detention centre

On remand or awaiting sentence

Sentenced to borstal

Civil prisoners

Sentenced to imprisonment up to 18 months*

Sentenced to imprisonment over 18 months

1555

5648

432

3042

9628

11,351

Main groups of females in custody 1968

At a detention centre

On remand or awaiting sentence

Sentenced to borstal

Civil prisoners

Sentenced to imprisonment up to 18 months*

Sentenced to imprisonment over 18 months

23

178

2

147

275

*Including those committed to prison in default of payment of fines.
APPENDIX

EARLIER YEARS

3. The following table shows how the average population in 1968 compares with that of earlier years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Prisons M.</th>
<th>Prisons F.</th>
<th>Borstals M.</th>
<th>Borstals F.</th>
<th>Detention Centres M.</th>
<th>Detention Centres F.</th>
<th>Total M.</th>
<th>Total F.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913 ..</td>
<td>14,892</td>
<td>2,335</td>
<td>841</td>
<td>87</td>
<td>—</td>
<td>—</td>
<td>15,733</td>
<td>2,422</td>
</tr>
<tr>
<td>1938 ..</td>
<td>8,368</td>
<td>558</td>
<td>2,020</td>
<td>140</td>
<td>—</td>
<td>—</td>
<td>10,388</td>
<td>698</td>
</tr>
<tr>
<td>1948 ..</td>
<td>15,736</td>
<td>923</td>
<td>2,885</td>
<td>221</td>
<td>—</td>
<td>—</td>
<td>18,621</td>
<td>1,444</td>
</tr>
<tr>
<td>1958 ..</td>
<td>20,474</td>
<td>735</td>
<td>3,714</td>
<td>185</td>
<td>271</td>
<td>—</td>
<td>24,459</td>
<td>920</td>
</tr>
<tr>
<td>1963 ..</td>
<td>24,156</td>
<td>810</td>
<td>4,755</td>
<td>143</td>
<td>1,014</td>
<td>18</td>
<td>31,656</td>
<td>971</td>
</tr>
<tr>
<td>1968 ..</td>
<td>24,712</td>
<td>608</td>
<td>5,389</td>
<td>174</td>
<td>1,555</td>
<td>23</td>
<td>31,656</td>
<td>805</td>
</tr>
</tbody>
</table>

*The figures given are of the average population in each type of establishment during the year.

The most striking difference is that between men and women. The number of women and girls in custody is only 800, not very different from the number in 1938 and much less than in 1913 while the number of men and boys in custody has increased three times since 1938. The illustration also shows how the prison service has devoted more of its resources since the war to special institutions for young offenders, only relatively few of whom go to prison.

4. The number of people in custody at any time is very small when expressed as a proportion of the total number of people in the country. Nevertheless as Table 2 shows the proportion of men and boys in custody has risen in the last ten years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Average population in prisons, borstals and detention centres</th>
<th>Average population in prisons, borstals and detention centres</th>
<th>Average population in prisons, borstals and detention centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958</td>
<td>24,459</td>
<td>146</td>
<td>920</td>
</tr>
<tr>
<td>1959</td>
<td>25,727</td>
<td>152</td>
<td>896</td>
</tr>
<tr>
<td>1960</td>
<td>26,198</td>
<td>154</td>
<td>901</td>
</tr>
<tr>
<td>1961</td>
<td>28,094</td>
<td>162</td>
<td>931</td>
</tr>
<tr>
<td>1962</td>
<td>30,066</td>
<td>171</td>
<td>997</td>
</tr>
<tr>
<td>1963</td>
<td>29,925</td>
<td>169</td>
<td>971</td>
</tr>
<tr>
<td>1964</td>
<td>28,718</td>
<td>161</td>
<td>882</td>
</tr>
<tr>
<td>1965</td>
<td>29,580</td>
<td>165</td>
<td>841</td>
</tr>
<tr>
<td>1966</td>
<td>32,127</td>
<td>178</td>
<td>959</td>
</tr>
<tr>
<td>1967</td>
<td>34,056</td>
<td>189</td>
<td>953</td>
</tr>
<tr>
<td>1968</td>
<td>31,656</td>
<td>175</td>
<td>805</td>
</tr>
</tbody>
</table>

*The population figures are the Registrar General’s figures for the home population.
APPENDIX

PERSONS NOT UNDER SENTENCE

5. The charts on page 53 showed that about 10 per cent of men and boys in custody and over 20 per cent of the women and girls had not been sentenced. Table 3 shows who these people are.

<table>
<thead>
<tr>
<th>TABLE 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Males</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Under 21</td>
</tr>
<tr>
<td>Unconvicted</td>
</tr>
<tr>
<td>Convicted and awaiting sentence etc.</td>
</tr>
<tr>
<td>Civil prisoners</td>
</tr>
</tbody>
</table>

(A civil prisoner is one detained for failure to obey court orders, generally in respect of debts.)

It is often appropriate to remand someone in custody if the court requires a full medical or psychiatric report to be provided and there are some people who cannot safely be allowed bail. 30,864 of the people who were remanded, or committed in custody in 1968, most for short periods, were not sent to custody after sentence. Any unconvicted person is entitled to certain special facilities in custody and although this group of people form only a small proportion of the total population at any one time, the prison service has to devote a great deal of staff time, effort and skill to looking after them in local prisons (see paragraph 5g) and in special remand centres for those under 21 (see paragraph 5h).

YOUNG OFFENDERS

6. The following paragraphs describe the young men in custody in senior detention centres and borstals or as young prisoners. They do not deal with women under 21 in custody or with the junior detention centres, whose average population in 1967 was 267. A detention centre sentence is short, so that although 5,824 young men were received in the centres in 1967 the average population was only 1,318. The first two charts at the top of the following page show their ages and the offences of which they had been convicted.

7. The third chart shows that a small proportion of boys sent to detention centres—only one in 8—were first offenders, while three quarters had between 1 and 5 previous proved offences. On the other hand only 1 in 7 of these boys had previously been at an approved school or received any institutional sentence. This is shown in the table opposite.
APPENDIX

Age of male offenders at senior detention centres
(Based on analysis of receptions in 1967)

Male offenders at senior detention centres: type of offence
(Based on analysis of receptions in 1967)

<table>
<thead>
<tr>
<th>Sex offences 80</th>
<th>Other offences 726</th>
<th>Breaking and entering 1898</th>
</tr>
</thead>
<tbody>
<tr>
<td>Violence against the person 681</td>
<td>Taking and driving away and Highways Acts offences 868</td>
<td>Theft 1571</td>
</tr>
</tbody>
</table>

Note: it is not possible to give the number of previous institutional sentences served by male offenders in senior detention centres.

Male offenders at senior detention centres: number of previous proved offences
(Based on analysis of receptions in 1967)

<table>
<thead>
<tr>
<th>(11–20)</th>
<th>(6–10)</th>
<th>(0)</th>
<th>(3–5)</th>
<th>(1)</th>
<th>(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>664</td>
<td>701</td>
<td>2252</td>
<td>978</td>
<td>1199</td>
</tr>
</tbody>
</table>

Total 5824

Note: it is not possible to give the number of previous institutional sentences served by male offenders in senior detention centres.

Male offenders at senior detention centres: previous periods of custody
(Based on analysis of receptions in 1967)

<table>
<thead>
<tr>
<th>Institution</th>
<th>No. received</th>
<th>% of total receptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>No previous institutional experience</td>
<td>4919</td>
<td>84.5</td>
</tr>
<tr>
<td>Approved school</td>
<td>623</td>
<td>10.7</td>
</tr>
<tr>
<td>Detention centre</td>
<td>192</td>
<td>3.3</td>
</tr>
</tbody>
</table>

This table does not show how many offenders have previously been committed to more than one type of institution. Thus an offender who had been both to an approved school and to a detention centre would be counted twice and the figures given are not mutually exclusive.
8. A young man sentenced to borstal training may spend between six months and two years in custody—the average being something over a year—and may be recalled to custody while under supervision after release. About 5,000 young men were sentenced to borstal training in 1967 and about the same number in 1968. The average population in 1968 was 5,648 and the following table shows where these young men were detained.

**TABLE 4**

*Distribution of Borstal Population in 1968*

<table>
<thead>
<tr>
<th>Location</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prison or remand centre</td>
<td>259</td>
</tr>
<tr>
<td>Allocation centre</td>
<td>701</td>
</tr>
<tr>
<td>Training borstal</td>
<td>4,377</td>
</tr>
<tr>
<td>Recall centre</td>
<td>290</td>
</tr>
<tr>
<td>Psychiatric centre</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,648</td>
</tr>
</tbody>
</table>

The two upper charts opposite show the age at which the young men received in 1967 were sentenced and the offences for which they have been convicted. Almost half those sent to borstal have been convicted of breaking and entering and almost a quarter of theft.

9. In terms of their previous criminal careers the young men at borstal are very different from those at senior detention centres. Only 3 per cent have no previous convictions and over a quarter have more than six previous convictions. This information is given in the lower chart opposite (left).

Even more striking is the fact that two thirds of the young men at borstal have previously been in custody or approved school, often more than once (lower chart opposite right). The table below the chart shows that over a third have been in approved schools and slightly more in detention centres.
APPENDIX

Age of male offenders at borstal
(Based on analysis of receptions in 1967)

Male offenders sentenced to borstal training: type of offence
(Based on analysis of receptions in 1967)

Number of previous institutional sentences served by male borstal inmates
(Based on analysis of receptions in 1967)

Offenders sentenced to borstal training:
previous periods in custody or at an approved school
(Based on analysis of receptions in 1967)

<table>
<thead>
<tr>
<th>Institution</th>
<th>No. received</th>
<th>% of total receptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>No previous institutional experience</td>
<td>1666</td>
<td>33.2</td>
</tr>
<tr>
<td>Approved school</td>
<td>1741</td>
<td>34.7</td>
</tr>
<tr>
<td>Borstal</td>
<td>318</td>
<td>6.3</td>
</tr>
<tr>
<td>Detention centre</td>
<td>1969</td>
<td>39.1</td>
</tr>
<tr>
<td>Prison</td>
<td>196</td>
<td>3.8</td>
</tr>
</tbody>
</table>

This table does not show how many offenders have previously been committed to more than one type of institution. Thus an offender who had been both to an approved school and to a detention centre would be counted twice, and the figures given are not mutually exclusive.
YOUNG PRISONERS

10. About 2,200 young men were received under sentence of imprisonment and 1,300 in default of payment of a fine in 1967; the average number in custody in 1968 was 985. Any figure for an average length of sentence would, however, be virtually meaningless since because of the provisions of the Criminal Justice Act 1961 almost all young prisoners are either serving short sentences (of up to six months) or sentences of eighteen months and over. (See paragraph 00.) 292 were serving sentences of up to six months, 69 over six and less than eighteen months, 463 from eighteen months to three years and 161 over three years.

11. The upper chart opposite (left) shows that 3 out of 4 young prisoners were aged 19 or 20 when sentenced. They are thus an older group than those sent to detention centres or borstal.

As with all other young offenders the largest group had been convicted of breaking and entering, but as the upper chart opposite (right) shows 1 in 5 young prisoners in custody have been convicted of crimes of violence, including 2.6 per cent convicted of murder.

12. Most young prisoners have been in trouble before—only 1 in 12 being first offenders and more than 1 in 3 having more than 5 previous proved offences. The proportion of young prisoners with no previous institutional sentence is however high (43 per cent). The information is given in the lower two charts and the following table opposite.
APPENDIX

Age of male young prisoners
(Based on analysis of receptions in 1967*)

Male young prisoners: type of offence
(Based on population in early 1969*)

<table>
<thead>
<tr>
<th>Age</th>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>251</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>573</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>1012</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>1642</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3493</td>
<td></td>
</tr>
</tbody>
</table>

| Murder | 27   |     |
| Sex offences | 54   |
| Other offences | 80   |
| Taking and driving away and Highways Acts offences | 84   |
| Robbery | 150  |
| Theft | 138  |
| Violence against the person | 181  |
| Breaking and entering | 323  |
| Total | 1037 |

*Including those committed to prison in default of payment of fines.

Male young prisoners: number of previous institutional sentences served by young prisoners
(Based on analysis of receptions in 1967*)

<table>
<thead>
<tr>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>253</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td></td>
</tr>
<tr>
<td>306</td>
<td></td>
</tr>
<tr>
<td>308</td>
<td></td>
</tr>
<tr>
<td>379</td>
<td></td>
</tr>
<tr>
<td>1135</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3428</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1485</td>
<td>43.3</td>
</tr>
<tr>
<td>897</td>
<td>26.2</td>
</tr>
<tr>
<td>995</td>
<td>29.0</td>
</tr>
<tr>
<td>907</td>
<td>26.5</td>
</tr>
<tr>
<td>513</td>
<td>15.0</td>
</tr>
</tbody>
</table>

*Including those committed to prison in default of payment of fines.

This table does not show how many offenders have previously been committed to more than one type of institution. Thus an offender who has been to both an approved school and to a detention centre would be counted twice, and the figures given are not mutually exclusive.

Male young prisoners: previous periods in custody or at an approved school
(Based on analysis of receptions in 1967*)

<table>
<thead>
<tr>
<th>Institution</th>
<th>No. received*</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>No previous institutional experience</td>
<td>1485</td>
<td>43.3</td>
</tr>
<tr>
<td>Approved school</td>
<td>897</td>
<td>26.2</td>
</tr>
<tr>
<td>Borstal</td>
<td>995</td>
<td>29.0</td>
</tr>
<tr>
<td>Detention centre</td>
<td>907</td>
<td>26.5</td>
</tr>
<tr>
<td>Prison</td>
<td>513</td>
<td>15.0</td>
</tr>
</tbody>
</table>

*Including those committed to prison in default of payment of fines.

NOTE: These two charts show only the total of those whose previous history was known.

*Including those committed to prison in default of payment of fines.
ADULT MALE PRISONERS

13. Almost two thirds of those in custody are men over 21 sentenced to a term of imprisonment. Most of the men in this group are fairly young. Just under half are under thirty and only 1 in 5 is over 40. The age distribution is given in the upper chart opposite (left).

14. As with young offenders the largest group of adult prisoners are serving sentence for breaking and entering or for theft. The next largest group of those in custody (about 10 per cent) are serving sentences for violence against the person and there are smaller groups serving sentences for sexual offences, robbery and fraud. The information is given in the upper chart opposite (right).

LENGTH OF SENTENCE

15. Table 5 shows the proportion of men in custody serving sentences of different lengths. About 1 in 3 are serving sentences of from 6 to 18 months and less than 1 in 20 is serving a sentence of ten years or more.

Some further information about length of sentence and the small group serving very long sentences is given on pages 00-00.

TABLE 5

<table>
<thead>
<tr>
<th>Length of sentence</th>
<th>No. in custody*</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 6 months</td>
<td>3,071</td>
<td>14.8</td>
</tr>
<tr>
<td>Over 6 months and up to 18 months</td>
<td>6,501</td>
<td>31.4</td>
</tr>
<tr>
<td>Over 18 months and less than 3 years</td>
<td>3,699</td>
<td>17.9</td>
</tr>
<tr>
<td>3 years</td>
<td>2,191</td>
<td>10.6</td>
</tr>
<tr>
<td>Over 3 years and less than 10 years</td>
<td>4,273</td>
<td>20.7</td>
</tr>
<tr>
<td>10 years</td>
<td>195</td>
<td>0.9</td>
</tr>
<tr>
<td>Over 10 years (excluding life)</td>
<td>202</td>
<td>1.0</td>
</tr>
<tr>
<td>Life</td>
<td>566</td>
<td>2.7</td>
</tr>
<tr>
<td></td>
<td>20,698</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Including those committed to prison in default of payment of fines.

PREVIOUS RECORD

16. About 31,000 adult men were received under sentence of imprisonment and 11,000 in default of payment of a fine in 1967. About 1 in 10 were first offenders and at the other extreme about 1 in 10 had over twenty previous convictions. 60 per cent of those sentenced to imprisonment had been in prison before. As many as 1 in 3 of those sentenced to imprisonment had not received any previous form of institutional sentence while less than twenty per cent had already served 6 or more such sentences. The information is summarised in the two lower charts and in the table below them which, like the table on page 00, does not show how many offenders have previously been committed to more than one type of institution (see note at foot of page 00). It must be remembered, however, that these facts relate to all those sentenced to imprisonment and not to the population in custody at any one time.
APPENDIX

Analysis of the sentenced adult male population by present age
(Based on population in March 1969*).

- Age 50-59: 1107
- Age 40-49: 3124
- Age 30-39: 6361
- Age 25-29: 4388
- Age 21-24: 5377
- Age 0-1: 341

Total: 20,698

Analysis of the sentenced adult male prisoner population by type of offence
(Based on population in March 1969*).

- Taking and driving away and Highways Acts offences: 1180
- Receiving Fraud and false pretences: 1072
- Violence against the person (including manslaughter): 871
- Other offences: 1392
- Murder: 436
- Breaking and entering: 6329
- Theft: 4183
- Robbery: 1692
- Sex offences: 1453
- Total: 20,698

*Including those committed to prison in default of payment of fines.

Adult male prisoners received into custody: number of previous proved offences
(Based on analysis of receptions in 1967*).

- (Over 20): 4168
- (11-20): 2726
- (6-10): 8426
- (3-5): 2726
- (0): 3782
- (1): 2703
- (2): 11,291

Total: 42,037

Adult male prisoners: number of previous institutional sentences*
(Based on analysis of receptions in 1967*).

- (Over 20): 782
- (11-20): 2445
- (6-10): 8666
- (3-5): 4556
- (0): 13,515
- (1): 4556
- (2): 6375

Total: 42,037

NOTE: These two charts show only the total of those whose previous history was known.

Number of adult male prisoners who have been previously in various types of institution
(Based on analysis of receptions in 1967*).

<table>
<thead>
<tr>
<th>Previous institutions</th>
<th>No. received*</th>
<th>% of total receptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>No previous institutional experience</td>
<td>13,515</td>
<td>32.2</td>
</tr>
<tr>
<td>Approved school</td>
<td>5638</td>
<td>13.4</td>
</tr>
<tr>
<td>Borstal training</td>
<td>7849</td>
<td>18.7</td>
</tr>
<tr>
<td>Detention centre</td>
<td>3183</td>
<td>7.6</td>
</tr>
<tr>
<td>Prison†</td>
<td>25,407</td>
<td>60.4</td>
</tr>
</tbody>
</table>

*Including those committed to prison in default of payment of fines.
†Including corrective trainees and preventive detainees.
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1) Most references are to paragraph numbers of the text and Appendix.
2) Roman numerals refer to paragraph numbers in the note on pages 00-00.
3) Page numbers are distinguished by P. e.g. P.00.

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Printed in England for Her Majesty's Stationery office by McCorquodale & Co. Ltd., London

Hm 2662 Dd. 141615 K00 11/69 McC. 3336/2

123
17th November, 1969

CABINET

CONTRIBUTIONS UNDER THE NEW PENSIONS SCHEME

Memorandum by the Secretary of State for Social Services

In the January White Paper "National Superannuation and Social Insurance" (Cmd. 3883), we proposed a contribution of 5½ per cent of earnings by both employers and employees. Employees would pay the contribution on earnings up to a ceiling of 1½ times average industrial earnings. The employers' contribution would be paid on all earnings without a ceiling. The contribution was to be made up as follows:

<table>
<thead>
<tr>
<th>Employer</th>
<th>Employee</th>
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<tbody>
<tr>
<td>per cent</td>
<td>per cent</td>
</tr>
<tr>
<td>National superannuation</td>
<td>4½</td>
</tr>
<tr>
<td>Redundancy fund</td>
<td>⅔</td>
</tr>
<tr>
<td>Social insurance, industrial injuries and health service</td>
<td>2</td>
</tr>
</tbody>
</table>

2. We had not at that time worked out our detailed proposals for social insurance and industrial injuries. The White Paper merely said that 2 per cent would be enough to provide for social insurance and industrial injuries benefits on about their present scale, and for a health service contribution at about the same level in relation to earnings as at the time of the White Paper.

3. In July we published a further White Paper on "Social Insurance" (Cmd. 4124) in which we gave details of the benefits, including industrial injuries benefits, to be paid out of the Social Insurance Fund. We then indicated that to finance those benefits, allowing for a national health service contribution of ⅔ per cent a side, the contribution of 2 per cent allowed in the previous White Paper might need to be increased by about 0.2 per cent a side. We added that the actual rate of contribution specified in the legislation would depend on final decisions on the proposals for the new scheme as a whole and for the national health service contribution.
4. We now need to settle the contribution rates to be included in the Bill. The Government Actuary's final calculations, taking account of the decisions on contracting out, show that the contribution originally proposed for national superannuation (4\(\frac{3}{4}\) per cent by employees and 4\(\frac{1}{4}\) per cent by employers) is all right and that 1.7 per cent a side is needed for social insurance (including industrial injuries). The Department of Employment and Productivity have reached the conclusion that a contribution of 0.2 per cent by the employer would be enough for the redundancy fund instead of the \(\frac{1}{2}\) per cent originally proposed. So the contribution which is needed, apart from the health service element, is 6.45 per cent by employees and 6.4 per cent by employers.

National Health Service contribution

5. At today's earnings level, a national health service contribution about 0.4 per cent a side (or the equivalent) would be needed to produce the same income as the present flat-rate contribution. The yield of an earnings-based contribution would, of course, rise with earnings. Even so, I think there is much to be said for moving, as time goes on, towards raising more of the costs of the health service from the contribution instead of from general taxation. As a first step, I should be in favour of including in the Bill a health service contribution yielding rather more than the present flat-rate, so long as this can be achieved fairly.

6. On the other hand, I do not think it would be right or wise to raise the employee's contribution above the 6\(\frac{3}{4}\) per cent which we proposed in the original White Paper last January. This contribution already means that, as compared with the contribution rates which came into force last week, a man on average earnings of £24 a week who is not "contracted out" would pay 2s. more, and a man earning £36 or more a week would pay 14s. 7d more than at present. So for a man earning a bit over average earnings the new scheme is bound to mean a fairly sharp increase in contributions, and I do not think we should make this worse.

7. However, I think there are respectable grounds for expecting industry to make a rather bigger contribution towards the cost of the health service. Industry has a direct interest in keeping workers in good health and, if the State did not provide an adequate health service, good employers would have to make alternative arrangements of their own. Moreover, industry adds to the burden of the health services through its effect on the health of workers.

8. There are, too, the precedents of many advanced industrial countries where the cost of social security and health insurance falls more heavily on employers than employees. This is true of all the countries of the European Economic Community. If our application to join the Common Market succeeds, it would be a step towards the European system if more of our social security costs were borne by the employer.
9. I accept that a higher health service contribution by employers would add to the costs of industry, and so have some effect on prices and the balance of payments. And there would be a good deal of complaint by the Confederation of British Industry (CBI), whom I should have to tell in advance of our proposal.

10. For these reasons, I do not suggest any major shift in the division of costs between employer and employee. What I propose is a health service contribution of 0.3 per cent by the employee and a 0.6 per cent by the employer. We should then have a total contribution for those not contracted out of $6\frac{2}{3}$ per cent by employees and 7 per cent by employers.

11. This would give us a health service contribution yielding at 1969 earnings about £198 million as against £182 million which comes from the present flat-rate contribution. Towards the health service contribution, employers would be paying about £130 million against £61 million by employees. In other words, compared with an even split of the health service contribution we should be shifting about £35 million from employees to employers out of a total contribution income of some £2,700 million. And the employers' proposed 7 per cent is only slightly above the 6.95 per cent foreshadowed for both employer and employee in the July White Paper.

12. In fact employers would be getting away more lightly under the new scheme than these figures above suggest. Taking the contribution income as a whole (including the employers' contribution to the redundancy fund), employers would be meeting about 52\frac{1}{3} per cent of the joint employer/employee costs. This compares with 70 per cent or more in some of the Common Market countries. Indeed, even under our present flat-rate scheme, the employer is already meeting about 53 per cent of the joint employer/employee contributions. The reason why the new scheme would not increase the employers' share of the total contributions, even taking into account my proposal for the national health service contribution, is that about £100 million of the extra income we shall be raising under the new scheme will come from married women who will no longer have the choice not to contribute; employers already pay their share of the contribution for these women.

13. If my proposals in paragraph 9 for employers and employees are accepted the contribution for the self-employed would be 30s. 10d a week, compared with the present contribution for a man of 24s. 10d. The basic contribution (payable voluntarily by those who have no earnings, or whose earnings are insufficient to make them liable for compulsory contributions) would be 18s. a week, compared with the present non-employed contribution for a man of 19s. 9d.
Conclusion

14. I therefore recommend that

(a) The national Superannuation and Social Insurance Bill should provide for a contribution of 6½ per cent, up to the earnings ceiling, by employees, including 0.3 per cent towards the health service.

(b) Employers should pay 7 per cent of all earnings, including 0.6 per cent towards the health service.

(c) The self-employed and basic contributions should be as set out in paragraph 13 above.

The short term

15. I have been discussing with the Chancellor of the Exchequer how best to limit the burden of the national health service on general taxation in 1970-71 and later years without imposing the levy on motorists which was accepted by the Cabinet (CC(69) 38th Conclusions), but the political objections to which have become increasingly apparent. I have recently suggested to him that an increase in the employer's national health service contribution next year would be a good solution. I should need to give the CBI some forewarning of this when I see them, near the end of the month, about my proposals for the new BILL (see paragraph 9).

15. An increase of 6d in the employer's health service contribution would yield just over £25 million in a full year, and 1s would yield just over £50 million (compared with the expected £10½ million a year from the road accident levy). Allowing for the expected rise in earnings over the next year or two, an increase within this range could be imposed without our having to change the provision I have proposed for the main Bill (paragraph 14) in order to prevent a fall in income when the new scheme starts. As the health service contribution is at present predominantly paid by the employee, such a move would be a further step towards the contribution structure of the new scheme.

R.H.S.C.

Department of Health and Social Security, S.E.1.

17th November, 1969
18th November, 1969

CABINET

ABUSE OF SOCIAL SECURITY

Memorandum by the Secretary of State for Social Services and the First Secretary of State and Secretary of State for Employment and Productivity

During the last few weeks there has been a marked renewal of criticism both in the Press and in Parliament of abuse of the Social Security system. Some of this criticism no doubt springs from political motives, but there is evidence of widespread, if ill-informed, disquiet among the public at large, among staff in the local offices of our Departments, and even our own supporters.

2. Recent criticism has concentrated mainly on abuse of supplementary benefits; but malpractices are by no means confined to that field and from time to time abuses of national insurance attract attention. Listed below are some of the most common forms in both fields.

(1) Abuse of National Insurance

(a) Drawing unemployment benefit while working on the side ("signing and working"). This is a matter for the Department of Employment and Productivity and there is probably nothing that can be done about it without more staff for more searching investigation.

(b) Whole or partial avoidance of contribution liability by employers and employees, especially in the construction industry.

(c) Receipt of unemployment benefit by well-to-do occupational pensioners who have no real intention of resuming work.

(d) Malingering in order to claim sickness benefit. There is no evidence of pure malingering among the long-term sick. There are already special measures, which are adopted as necessary from time to time, for checking on people who claim frequently for short periods and for trivial complaints, or at times of strikes or paid and public holidays.
(2) Abuse of Supplementary Benefit

(a) Settling back on supplementary benefit when the claimant is capable of work and could find work if he tried hard enough.

(b) As with unemployment benefit, working on the side and not disclosing earnings.

(c) Collusive or fictitious desertion in order to qualify for benefit.

(d) Evasion of the rule which forbids payment of benefit to women co-habiting with a man not himself eligible for benefit.

(e) Squandering of benefit with the result that further payments have to be made in order to avoid acute hardship.

Measures already taken in the field of supplementary benefits

3. As a result of the great upsurge in the number of claimants between August, 1966 and December, 1967 the staff handling supplementary benefit claims were very severely stretched and both the quantity and the quality of the checks suffered. We are now, however, recovering from this situation as the following figures show:-

<table>
<thead>
<tr>
<th></th>
<th>1967</th>
<th>1968</th>
<th>1969 (first half)</th>
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<tbody>
<tr>
<td>Prosecutions for fraudulently claiming supplementary benefit</td>
<td>2,211</td>
<td>3,677</td>
<td></td>
</tr>
<tr>
<td>Cases handled by Special Investigators</td>
<td>9,700</td>
<td>13,000</td>
<td>7,000</td>
</tr>
<tr>
<td>Allowances terminated or reduced as a result of investigation</td>
<td>4,300</td>
<td>6,000</td>
<td>3,300</td>
</tr>
<tr>
<td>Annual rate of recovery in liable relative cases (i.e., follow-up and enforcement of maintenance allowances)</td>
<td>At July, 1968</td>
<td>Now</td>
<td></td>
</tr>
<tr>
<td></td>
<td>About £5,000,000</td>
<td>Over £6,000,000</td>
<td></td>
</tr>
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</table>

Further, as the general situation has improved it has been possible to devote more staff effort to the policing of the supplementary benefit scheme. For example, the number of special investigators looking out, mainly, for collusive desertion and co-habitation and undisclosed earnings has been increased to nearly 200. As a result of a deliberate change of practice, approved by Ministers, the Supplementary Benefits Commission have made and will continue to make, a big drive on "layabouts" deliberately seeking to live on supplementary benefit. Since July, 1968 there has been
a rule that after four weeks of unemployment, supplementary benefit will not be paid to single unskilled men under 45 capable of work and living in areas where work is available, if it appears that the continuing unemployment is voluntary. Since then 80,000 allowances have been terminated within the four weeks and a considerable proportion of these terminations can be attributed to the rule. The Commission have also developed a system under which all other unemployed people who are fit and under 45 are interviewed after three months (if this has not happened before; e.g. wage-stopped cases are interviewed after seven weeks); and their benefit can be terminated if this is appropriate.

4. Measures to date have therefore been far from unsuccessful but clearly it would reassure the public if additional ones could be announced. The Supplementary Benefits Commission are already well aware that the whole Supplementary Benefits Scheme could become discredited if they were thought to be complacent about abuse and it is proposed to discuss with them the possibilities of further tightening up in administration, e.g. extending to married men without children and to single men between 45 and 50 the four weeks rule now applied to single men under 45.

Further measures in the Supplementary Benefit and Insurance Fields

5. Any greater stringency in the administration of the Supplementary Benefits Scheme is unlikely to produce striking results. Moreover there are other fields in which public concern is being expressed. For these reasons and to show that the Government are determined to tackle problems of abuse and misuse seriously we consider that the Government should

(a) make certain changes in the law relating to supplementary benefit in the industrial field; and

(b) make changes in the conditions under which comfortably-off occupational pensioners can claim unemployment benefit.

These (which are discussed below) and any changes which the Supplementary Benefits Commission may be willing to make, should be announced as a package when the National Superannuation Bill is published. The reason for this is that the Bill will draw attention to the position of strikers because it will contain two provisions, which we have already decided upon, favourable to the trade unions, namely:

(i) to limit the disqualification for unemployment benefit and supplementary benefit (which have always been in identical terms) where employment is lost as a result of a strike to those participating in it or directly interested in the dispute. (At present the disqualification also extends (1) to people who are "financing" the dispute — for practical purposes this means belonging to a trade union which is financing the strike and (2) to people who belong to a grade or class any member of which is participating in, directly interested in, or financing the dispute).
(ii) to legalise the practice whereby income tax refunds and strike pay received by persons disqualified for unemployment benefit as a result of a strike are disregarded, up to the level of the claimant's own requirements (at present £4 per week) in determining the amount of benefit payable for his family.

Changes in law relating to supplementary benefit in the industrial field

A. Payment of benefit to strikers after return to work

6. A recent development which may fairly be called a misuse of the Supplementary Benefits Scheme is the growth in the practice of relying exclusively on supplementary benefit, instead of obtaining advances of wages (subs) when the strike is over and the men are back at work. The benefit then payable differs from that payable when on strike in that it is obtainable by single men; it covers the married striker's own requirements as well as those of his family; and income tax refunds are totally disregarded. (Also, like all supplementary benefit, it is not taxed). As a result there is frequently a sharp rise in the family income of strikers who have been on supplementary benefit during the strike.

7. It was National Assistance Board (NAB) practice, and has continued to be the practice of the Supplementary Benefits Commission, to put pressure on employers, early in a strike, to agree to pay subs on the return to work, and until a few years ago employers in general agreed to do so. It seems however in the last year or two to have become more generally realised that it is to the strikers' advantage to press their employers not to make advances, which are repayable, so that they can obtain supplementary benefit in full, which is not. There was a particularly clear example in the Ford strike earlier this year, when some of the Company's plants originally agreed to give subs but withdrew under pressure from the workers at one plant. During the three weeks of that strike there were 18,300 payments to 12,360 claimants at a cost of £104,000. In the two weeks following the return to work 14,600 payments were made at a cost of £78,000. Similarly, at the end of the recent miners' strike, National Coal Board (NCB) Headquarters gave instructions that no subs were to be paid, although in the region principally involved the local NCB management agreed to give subs of £4. The total paid out in benefit after that strike had ended was £446,000; during the strike the total was £123,000. The corresponding figures for some major strikes in the last few years are set out in the annex.

8. We have considered whether to recommend to our colleagues that this situation should be brought to an end by legislation providing that unless he could prove urgent need, a striker could not receive benefit for himself and his family after he had returned to work and was awaiting his wages. This would be altogether too drastic a cure; it would cause the most hostile reaction from the unions, on a number of grounds - that it was vindictive; that if employers did not give subs, or gave inadequate subs, the strikers'
families could be in real want; and that it was unfair that the striker should be denied benefit both at the beginning of a strike and after its end. It could lead to considerable practical difficulty in that local staff of the Department of Health and Social Security would have to examine large numbers of "urgent need" claims, to decide which claims were genuine, and to assess the amount of benefit, a difficult enough process at the calmest of times, in what could be a sensitive situation. It would in any case be likely to cause real hardship, particularly among the lower paid workers who would have little in the way of tax refunds or savings to tide them over until they receive their wages, and who would find it difficult to repay any subs and any supplementary benefit they had received.

9. We propose accordingly a compromise under which a striker, on return to work, would be entitled to benefits on exactly the same basis as during the strike, that is he would be paid for his dependants only, his tax refund and other personal resources being taken into account, subject to the £4 disregard, in assessing the amount. This would reduce the amount paid out at the end of a strike, (it is estimated that if the basis of assessment proposed had been in operation at the end of the miners' strike the amount paid in benefit would have been about £250,000 instead of the £446,000 actually paid), would be simple to administer, and would be much less objectionable to the trade unions, who seem indeed unaware that, on the return to work, supplementary benefit is assessed on a more generous basis than during the strike.

B. Payment of benefit in cases of industrial misconduct, etc.

10. We propose also a change in the legislation which deals with those who are dismissed for industrial misconduct, or leave their employment or refuse suitable employment without good cause, and have therefore been disqualified for up to six weeks for unemployment benefit. If such persons establish a claim to supplementary benefit, the benefit is normally reduced by 15s., but no more, while the disqualification lasts. But this reduction is from scales which (with the payment for rent added) are now at such a level that a man who is not disqualified, but is eligible for supplementary benefit, draws only 15s. more per week than a comparable man who is disqualified. A deduction of that order is derisory and ineffective.

11. We recommend accordingly that the penalty should be increased, the claimant's requirements, and those of his wife if he has one, being assessed at one-third less than the normal scale rate, rent and the requirements of any children being met in full. Thus, for example, a married man with two children under 11 and rent of £2, 5, 0., on being disqualified for £10, 6, 0., in flat rate unemployment benefit would receive supplementary benefit of £9, 15, 0., instead of £11, 15, 0., as at present (the full requirement of £12, 10, 0., less 15s.). It is estimated that the increased penalty proposed would save up to £½ million a year.
12. Clauses to give effect to these two proposals - A. and B. above - could be introduced at Committee stage, though the intention so to legislate would be made clear when the Bill was published (see paragraph 5). It will, of course, be necessary to inform the Trades Union Congress (TUC) and the Confederation of British Industry (CBI) of these intentions before the announcement is made. (They know already of the decision to legalise the current disregard of tax refunds, etc.).

Unemployment benefit for occupational pensioners

13. We propose that regulations should be made to restrict the payment of unemployment benefit to certain occupational pensioners. The Cabinet approved such a proposal in principle in March last year (CC(68) 17th Conclusions). Draft regulations were subsequently referred for consideration to the National Insurance Advisory Committee, whose report was recently received. Except for Lord Collison, they support the regulations. But their introduction will provoke some criticism and the Cabinet should know in little more detail what they will amount to.

14. When the Advisory Committee were asked to consider this question in 1966, because of mounting public concern about people who retire with substantial occupational pensions and then claim unemployment benefit without any real intention of taking another job, they recommended that such pensioners should have to satisfy additional conditions for benefit; notably a requalification test (six months new employment after giving up their old job) if they had a pension of £15 per week or more, and (in every case) reduction of benefit on a sliding scale if they had a pension of £5 or more. (People who did not pass the requalification test would have free "credits" of insurance contributions withheld as well as unemployment benefit). The draft regulations which we put forward raised these figures to £18 and £6,10.0, respectively, and introduced a minimum age of 58 below which they would not operate. The Committee, who received over 3,000 representations on the regulations, have now recommended that the levels should be further raised to £20 and £10. (Their report has not yet been published).

15. Lord Collison, who reflects the views of the TUC, has from the start opposed these additional conditions on the ground that they breach the principle of benefit as of right. He has attracted vigorous support from the unions representing those affected. We shall not therefore have an easy run if we make substantive regulations; nor, if it could be avoided, would we wish at this time to irritate the occupational pensioner interests further. But, like the Committee, we are satisfied that there is no other realistic way of tackling this abuse by the better-off, and we cannot ignore it. We think, however, that we must liberalise the proposed rules still more if they are to be made palatable to our own side. What we propose is to disregard all occupational pensions up to age 60 instead of 58; to adopt a requalification test level of £25 instead of £20; and to raise the sliding scale threshold to £15 instead of £10. Where no lump sum was payable,
anyone getting a half-pay pension based on a final salary of £1,500 a year would not have his unemployment benefit reduced, and a person would not have to pass a requalification test unless he had a half-pay pension based on a final salary of £2,500 a year. Lump sums paid as part of the occupational pension would be disregarded altogether if they were received before the regulations came into operation, but if received afterwards they would be taken into account for the succeeding 10 years at one-tenth of their annual value – e.g., a lump sum of £500 would be treated as equivalent to an addition of £1 to the weekly pension. It is estimated that this could result in a saving of about £3 million a year in public expenditure as compared with the saving of £4 million a year which was taken into account in public expenditure on the basis of the original proposals.

16. We invite our colleagues to agree that

(i) an informal approach should be made to the Supplementary Benefits Commission on the lines indicated in paragraph 4;

(ii) at Committee stage, clauses should be moved increasing the penalty for industrial misconduct and enabling the Minister to make regulations as to the assessment of benefit for strikers’ families after the end of a strike (paragraph 12);

(iii) regulations should be made dealing with well-to-do occupational pensioners (paragraphs 13–15);

(iv) the measures described above and the outcome of the approach to the Commission should be announced as a package of measures to control abuse, shortly after the National Superannuation Bill is published (paragraph 5);

(v) the TUC and CBI should be informed before the announcement is made (paragraph 12).

R. I. S. C.
B. A. C.

Department of Health and Social Security, S. E. 1.

17th November, 1969
<table>
<thead>
<tr>
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</thead>
<tbody>
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<td>Weekly payments</td>
<td></td>
<td></td>
</tr>
<tr>
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<td>Strike began 13.10.69</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Last week of strike</td>
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<tr>
<td></td>
<td>END OF STRIKE</td>
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<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td>Weeks AFTER end of strike</td>
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<td></td>
</tr>
<tr>
<td></td>
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<table>
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<td>1,900</td>
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<td>£7,700</td>
</tr>
<tr>
<td>12,900</td>
<td>£71,200</td>
</tr>
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</table>

**NOTES:** For the sake of easy reading, the table has been simplified. Strikes do not fit in neatly the miners involved in the recent coal strike ceased work on 13 October; received full wage went back to work on 27 October; had a supplementary benefit pay day on 31 October; and received

In the London dock strike there were two major returns to work. All payments after return a payment of £21,700 to 3,100 men around 1 December. In Merseyside there were only one full prior to this 4,200 payments costing £6,900 had been made as a "snap" (meal) allowance. The figures are rounded to the nearest 100.
PAYMENTS OF SUPPLEMENTARY BENEFIT DURING AND AFTER MAJOR STRIKES

<table>
<thead>
<tr>
<th></th>
<th>Fords</th>
<th>Vickers</th>
<th>Liverpool Corporation Buses</th>
<th>London Docks</th>
</tr>
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<tbody>
<tr>
<td>May-June 1969</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Industrial trouble started 5.6.68.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Numbers on strike fluid throughout summer</td>
<td></td>
<td></td>
<td>First supplementary benefit payments 21.3.68</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Amount</td>
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<td>Amount</td>
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</tr>
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<td>4,900</td>
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</tbody>
</table>

Simplified. Strikes do not fit in neatly with employers' or supplementary benefit pay weeks. For example, work on 13 October; received full wages on 17 October; their first supplementary benefit pay day on 31 October; and received nearly a full week's wages on 7 November.

Returns to work. All payments after return to work have therefore been lumped together but the largest number. In Merseyside there was only one full weekly payment (7,400 payments costing £51,900) after return been made as a "snap" (meal) allowance. The Ford figures are complicated by a split pay week.
## ANNEX

### DURING AND AFTER MAJOR STRIKES

<table>
<thead>
<tr>
<th>Vickers</th>
<th>Liverpool Corporation Buses</th>
<th>London Docks</th>
<th>Liverpool Docks</th>
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**Industrial trouble:** Strike began 11.3.68. First supplementary benefit payments 21.3.68.

<table>
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<th>No.</th>
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**20.1.69 27.5.68 Phased 29.10.67**

<table>
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<tbody>
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<tr>
<td>Nil</td>
<td>Nil</td>
<td>£29,400</td>
<td>£58,800</td>
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</table>

The figures are complicated by a split pay week.

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In neatly with employers' or supplementary benefit pay weeks. For example, most of the full wages on 17 October; their first supplementary benefit on 24 October; and received nearly a full week's wages on 7 November.

After return to work have therefore been lumped together but the largest element is only one full weekly payment (7,400 payments costing £51,900) after return to work but lowance. The Ford figures are complicated by a split pay week.
19th November, 1969

CABINET

POLICY FOR PRODUCTIVITY, PRICES AND INCOMES:
DRAFT WHITE PAPER: "LOW-PAID WORKERS"

Note by the First Secretary of State and Secretary of State for Employment and Productivity

The Chancellor is to report orally the outcome of the discussion on 17th November in the Sub-Committee on Future Policy of the Committee on Prices and Incomes on the future norm for the policy.

2. At that meeting the Committee had before it a first tentative draft of the White Paper and I was asked to explain more fully how the treatment I proposed for dealing with the problem of the low-paid worker would fit with the concept of a percentage range in which most pay settlements must fall. The attached revised draft of the action of the White Paper on the low-paid worker attempts to do this and I thought it would be helpful for my colleagues to have seen this before our discussion. I am not asking for detailed approval of the draft at this stage, which still requires a good deal more work.

D.A.C.

Department of Employment and Productivity, S.W.1.

19th November, 1969
LOW PAID WORKERS

One of the weaknesses of the system of free collective bargaining has been its inability to solve the problem of the low paid. There are several reasons for this. Most of the low paid are poorly organised and even where they are organised they do not command economic power. That is one of the reasons why they are badly paid. Under a system where wage increases go to the strong, the low paid have little hope of holding their own, let alone moving up the economic scale.

2. One of the main aims of any productivity, prices and incomes policy must be to remedy this failure of a free-for-all system. Throughout the period since 1965, the policy has always provided opportunities for improving the relative position of the low paid. Under the criteria laid down, for instance, in the White Paper Command 3590, which governed the use of the powers of the 1968 Act, low pay was held to be an automatic justification for increases up to the ceiling - and above the ceiling where other workers in the group were willing to let the low paid have priority. But the decision to give that priority was left to the employers and unions concerned and as a result, although the gap between low paid and higher paid workers narrowed slightly, it was not greatly reduced.

3. The challenge which faces us as a socially just society is what steps we can now take to eradicate the scandal of low pay in an affluent society. This will call for a conscious, deliberate effort by all those involved - Government, employers and trade unions. The first step must be to identify who are the low paid and why they are low paid. Here the Department of Employment and Productivity has already taken the initiative by launching in September 1968 a new Earnings Survey covering all industries and occupations and designed to discover the exact distribution of earnings behind the averages by occupation, age and region. It has also sought to identify some reasons for low pay: whether for e.g. it is associated with any particular age level, with payments in kind or with mental or physical disability. The survey, a comprehensive analysis of whose findings will be published shortly, shows that in 1968 one in...
every 10 adult male manual workers in this country had total earnings for a full week of £15 a week or less, at a time when the "average" worker was earning £24. The position of women was much worse; one in every 4 adult women had earnings for a full week of £10 a week or less. But in analysing these figures it found that although certain occupations have a particularly large proportion of workers below these levels (farm work, catering, cleaning, hairdressing, distribution and gardening are the most obvious), the great majority of low paid workers are scattered throughout industries which are as a whole highly paid. It shows, too, that the reasons for low pay vary from group to group, almost from individual to individual (and that in some cases the reasons for low pay would be difficult to overcome). The problem therefore is far too complex to be met by blanket increases covering a whole occupation or industry.

4. How, then, is it to be solved? The first need is to strengthen trade union organisation among these low paid groups and this will be one of the aims of the Industrial Relations Bill. Many of the occupations where low pay predominates are at present covered by Wages Councils and it is arguable that this protection, which was once essential, actually militates today against the development of effective voluntary collective bargaining. The Industrial Relations Bill will make it possible to modify the Wages Council machinery where this has become desirable in the workers' interests.

5. Secondly, many groups of workers are low paid simply because their productivity is low. Much could be done by employers, with the cooperation of unions, to change working methods and so help the low paid to achieve higher earnings by sharply raising their productivity. Here again the Government has given a lead by the emphasis it has laid on the productivity aspects of the policy. In its reports the PIB has spelt out the possibilities this has offered the lower paid in a whole range of activities such as agriculture, the retail drapery trade, local government and the National Health Service. In some cases good progress has been made in applying the Board's suggestions; for instance, in the new wages structure for agriculture. In others management still seems unaware of, or indifferent to, the new techniques required. One of the tasks of
the department's MPS has been to help management and unions to follow up the possibilities opened up by the Board's reports and the Government intends that the MPS shall play an increasingly active role in seeing that the proposals of the Board and of its successor for improving the productivity - and therefore the earnings - of the low paid are followed up urgently.

6. But when all this has been done the solution of this problem will still depend primarily on the attitude of the negotiators in industry. There can be no improvement in the position of the low paid, either relatively, or in real terms, if every increase they win then becomes a new "floor" on which the existing spread of rates of pay is re-erected automatically, thus engendering, not social justice, but inflation. The only hope of the low paid lies in a conscious decision by their fellow workers that they will accept a re-assessment of differentials both between different industries and within an industry. There are, of course, differentials which are fully justified, such as those which reflect additional responsibilities or reward the acquisition of new skills. But this is by no means true in every case and that is why the Government has welcomed the increasing application of "job evaluation", not only in manufacturing industry but for such groups as local government manual workers and ancillary workers in the NHS.

7. Even with job evaluation, however, the question still remains as to how great the spread should be between rates and whether, in wage negotiations, the greatest emphasis should be laid on the claims of the skilled or on fixing a socially just standard of living for those at the bottom end of the scale. One of the most effective ways of helping the low paid is to give priority to the improvement of minimum earnings levels as has been done in the recent wage agreement of the motor vehicle retail and repairing trade. Minimum earnings levels are a feature of a number of nationally negotiated wage structures, for e.g. in engineering, rubber manufacturing and the food manufacturing industries and if increases are concentrated more on workers below these levels than on those above, the low paid benefit.
8. In drawing up its guideline of a range of 3 per cent-5 per cent within which pay increases in the coming year should fall the Government recognises that the needs of many groups of low paid workers cannot be met within this range. It believes that at this stage of the policy more radical improvements in the position of the low paid are needed than the normal range for other workers would allow. But if higher increases than 5 per cent are to be accepted for some of the most poorly paid, the result must inevitably be inflationary unless first, every effort is made to match these increases with increased productivity and secondly, other workers who have forged ahead in recent years voluntarily accept more modest increases than 5 per cent for themselves. If they do not, the result will be the very price increases they are most anxious to avoid. The choice is theirs.

9. In recent years there has been increasing pressure on the Government to redress the inequalities of a system of free collective bargaining by introducing a statutory national minimum wage or minimum earnings levels. As a first step the Government set up an inter-departmental working party to study the implications of a national minimum wage and its report provides the basis for the informed discussions which the Government now hopes will take place. The study shows the complexity of the problem of helping the low-income groups. For instance about two-thirds of the households in the country with an income of less than £15 a week would not benefit from a national minimum wage as they do not contain any wage earners. Again, a national minimum would have a very uneven effect in relieving poverty because it could not take account of family circumstances.

The question of low pay cannot therefore be separated from social service policy. But an even greater difficulty arises from the fact that, although many low paid workers are concentrated in small industries where the general level of pay is low, by far the greater number are scattered through larger industries where the general level of pay is high. If therefore, other wage earners in these well-paid industries merely took the establishment of a national minimum as a new base on which to rebuild their existing differentials, the effects on the cost of living could be disastrous.
10. Unfortunately there is at present little evidence that higher paid workers would not take advantage for their own purposes of the attempt to help the low-paid through the establishment by law of a national minimum. The recent wage claims, for instance, by dustmen and firemen aroused a good deal of public sympathy in the belief that the pay of these groups of essential workers had fallen behind those of workers in manufacturing industry.

11. Yet once their increases had been granted, other large claims were immediately pressed by higher paid workers in industry on the grounds that what was fair for the dustmen was fair for the rest. It is for this reason that the Government believes the introduction of a statutory national minimum requires much greater discussion with industry and a clear acceptance by the trade union movement of the need to limit its repercussions on wage rates elsewhere. Without this, the whole operation would be self-defeating.

12. In the meantime, however, progress can and should be made towards improving the position of the low paid by other means. What is needed is a study in depth of how this can be achieved in the context of particular situations and particular systems of pay negotiation. The Government intends to ask the PIB and its successor to initiate investigations into those cases where low pay is a major problem and to suggest the means by which progress can be made case by case, industry by industry. Its recommendations will become an integral part of the operation of the policy in the coming months.

13. As has already been indicated, the majority of low paid form comparatively small pockets in industries which as a whole are relatively well paid. In these cases it should be possible for steps to be taken to raise their standards within wage agreements falling within the normal range for pay settlements. The PIB will be asked to advise how this could be done. In other industries, like agriculture, the general pay level is low and can only be improved by settlements above the normal range. That is why the Government has recently approved a wage increase of 8½ per cent for farm workers who, as the NMW report points out, are by far the lowest paid of the occupations covered. Since, however, the
numbers involved in these industries form a small part of the total labour force, increases above the normal range here should not mean an intolerable addition to the wages bill provided that workers in non-low paid industries do not take this as a signal to step up their own claims.

14. It is this approach which will guide the Government in dealing with its own employees in the public services. The Government has always rejected the concept that a productivity prices and incomes policy should bear more harshly on the public services than on private industry. During the greater part of 1968 considerable success was achieved in keeping all pay settlements within the terms of the policy, but in recent months the succession of high pay claims in the public services has reflected the belief that workers in these services were falling behind those in private industry and there was a good deal of public sympathy for their demands because these groups contained a number of low paid. In the coming months it will be the Government's intention to apply the policy as fairly and as firmly in the public services as it is seeking to have it applied elsewhere.

15. About one-third of all low paid men and one-quarter of low paid women work in the public services. This is a challenge both to the Government as employer and to the trade unions. The Government will be prepared to examine this problem with the unions to see how these levels of low pay can be improved on lines similar to those indicated above for private industry. The Government will however expect that the bulk of the pay settlements shall fall within the normal range. It will therefore be for the unions to decide whether and to what extent they are prepared to co-operate in giving priority to the low paid.

16. The problem of low pay cannot be settled simply or easily. Some people are low paid because they are young and inexperienced; others because they have passed their productive peak. Some workers prefer low paid jobs because they are less exacting and more suited to their limited abilities and therefore their best hope of retaining a place in the labour market. Again, rates which are adequate for a single man may mean poverty for a family. The needs of these groups can only be met by a co-ordinated attack on their problems through the social services as well as wages policy.
17. But there are also groups of low paid who have been unjustifiably left behind in the scramble of wage bargaining. The Government invites unions and employers to join with it in working out solutions to their needs within the context of the policy outlined above. Only in this way can social justice be achieved without imperilling our economic recovery.