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1 - 50 MEMOS
1 - House of Commons: Redistribution of Seats. Note by the Attorney-General.

2 - New Colonial Office Building. Memorandum by the Minister of Works.

3 - Party Political Broadcasting in Wales. Memorandum by the Postmaster-General.

4 - Foreign Affairs. Memorandum by the Secretary of State for Foreign Affairs.

5 - Colonial Immigrants. Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs.

6 - Muscat and Oman: Assistance to the Sultan. Memorandum by the Secretary of State for Foreign Affairs.

7 - Railway Wage Dispute. Memorandum by the Minister of Labour and National Service.

8 - East/West Trade. Memorandum by the President of the Board of Trade.

9 - Price of Sugar. Memorandum by the Chancellor of the Exchequer.

10 - Indian Communities in the Colonies. Memorandum by the Secretary of State for the Colonies.


12 - The Finances of the Railway Modernisation Plan. Memorandum by the Chancellor of the Exchequer.

13 - British Railways. Memorandum by the Minister of Transport and Civil Aviation.

14 - Japan and the General Agreement on Tariffs and Trade. Memorandum by the President of the Board of Trade.

15 - A CLOSED FOR 100 YEARS UNDER SECTION 5.(I).

16 - Departmental Records. Memorandum by the Chancellor of the Exchequer.

17 - Japan and the General Agreement on Tariffs and Trade. Note by the Secretary of State for Foreign Affairs.

18 - Railway Wages Dispute. Note by the Secretary of the Cabinet.

19 - Railway Wages Dispute. Memorandum by the Parliamentary Secretary, Ministry of Labour and National Service.

20 - Air Pollution. Memorandum by the Chancellor of the Exchequer.

21 - Clean Air Policy. Memorandum by the Minister of Housing and Local Government and the Minister of Fuel and Power.

22 - Clean Air Policy. Memorandum by the Minister of Fuel and Power.
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Reference
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23 - Horror Comics. Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs.

24 - Western European Union. Memorandum by the Secretary of State for Foreign Affairs.


26 - Prospects for the Overseas Trade of the United Kingdom. Memorandum by the President of the Board of Trade.

27 - Japan and the General Agreement on Tariffs and Trade. Memorandum by the President of the Board of Trade.

28 - British Railways. Memorandum by the Minister of Transport and Civil Aviation.


30 - Defence Expenditure by Civil Departments in 1955-56. Note by the Secretary of the Cabinet.

31 - Atomic Energy: Civil Programme. Note by the Lord President of the Council.


33 - New Colonial Office Building. Memorandum by the Minister of Housing and Local Government.

34 - Colonial Immigrants. Memorandum by the Secretary of State for Commonwealth Relations and the Secretary of State for the Colonies.

35 - The Supply of Military Aircraft. Note by the Minister with Defence and the Minister of Supply.

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36 - Antarctica. Memorandum by the Secretary of State for Foreign Affairs.

37 - Aircraft Production: The Swift. Memorandum by the Secretary of State for Air and the Minister of Supply.

38 - Formosa. Note by the Secretary of State for Foreign Affairs.

39 - Transatlantic Telegraph Cable. Memorandum by the Postmaster-General.

40 - Review of the General Agreement on Tariffs and Trade. Memorandum by the President of the Board of Trade.

41 - Association of Members of Parliament with the North Atlantic Treaty Organisation. Memorandum by the Secretary of State for Foreign Affairs.

42 - Lancashire. Memorandum by the President of the Board of Trade.

43 - Commonwealth Membership. Memorandum by the Secretary of State for Commonwealth Relations.
44. Public Service Vehicles. Memorandum by the Minister of Transport and Civil Aviation.

45. Legislative Programme. Memorandum by the Lord Privy Seal.

46. Legislative Programme. Memorandum by the Minister of Agriculture and Fisheries and Minister of Food.

47. The Far East. Note by the Secretary of State for Foreign Affairs.

48. Formosa. Note by the Prime Minister.

49. International Labour Organisation. Memorandum by the Parliamentary Secretary, Ministry of Labour and National Service.

50. Police Cadets and National Service. Memorandum by the Minister of Defence.

CABINET

HOUSE OF COMMONS: REDISTRIBUTION OF SEATS

NOTE BY THE ATTORNEY-GENERAL

I circulate the draft of a White Paper which the Cabinet invited me to prepare (C.C. (54) 91st Conclusions, Minute 1).

R. E. M-B.

Law Officers' Department, W.C. 2,
INTRODUCTION

In view of the gravity of the constitutional issues involved in the case of Harper v. The Secretary of State for the Home Department, Her Majesty’s Government have decided to publish the record of the proceedings in the Court of Appeal on Monday, 20th December, 1954. These proceedings were an appeal by the Secretary of State from a decision of Mr. Justice Roxburgh, who, on Friday, 17th December, granted the plaintiffs an interim injunction restraining the Secretary of State from submitting to Her Majesty in Council the draft Parliamentary Constituencies (Manchester, Oldham and Ashton-under-Lyne) Order, 1954. The appeal was allowed and the injunction discharged.

2. The Order, one of a number giving effect to the recommendations of the Boundary Commission for England, had been laid before Parliament under the House of Commons (Redistribution of Seats) Act, 1949. Section 3 (4) of which provides that if any such draft Order is approved by resolution of each House of Parliament, the Secretary of State shall submit it to Her Majesty in Council. The Order was approved by resolution of the House of Lords on the 16th December and by resolution of the House of Commons in the course of its sitting on the same day.

3. On an ex parte application on the following day Mr. Justice Roxburgh held that the plaintiffs had established a prima facie case that the Boundary Commission had not complied with the Rules laid down by the Act and he granted an injunction restraining the Secretary of State from submitting the draft Order to Her Majesty in Council under this provision.

4. The Court of Appeal held that there was no ground for saying that the Boundary Commission had departed from the Rules prescribed in the Act. The Court did not therefore find it necessary to express any view upon the argument submitted to it that the Courts have no power to grant such an injunction.

5. The view of Her Majesty’s Government is that the Courts have no jurisdiction either to interfere with a legislative process laid down by practice or statute or to restrict the access to Her Majesty of a Minister of the Crown.

In expressing this view Her Majesty’s Government trust that they have the support of all Members of Parliament.

RICHARD STEPHENSON HARPER and FORRESTER LORD

Versus.

THE SECRETARY OF STATE FOR THE HOME DEPARTMENT

[COURT OF APPEAL (THE MASTER OF THE ROLLS,
LORD JUSTICE JENKINS and LORD JUSTICE HODSON)
20th DECEMBER, 1954]

Sir Andrew Clark, Q.C., Mr. J. V. Nesbitt and Mr. R. L. McEwen,
for the Plaintiffs

The Attorney-General (Sir Reginald Manningham-Buller, Q.C., M.P.)
and Mr. Nigel Warren,
for the Defendant

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The argument relating to questions of procedure and the passages read to the Court from the case of are omitted. The Judgment of Mr. Justice Roxburgh which was read to the Court is, for convenience of reference, also printed as an appendix.
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PART I

The Attorney-General: May it please your Lordships, my learned friends, Sir Andrew Clark, Mr. Nesbitt and Mr. McEwen, appear for Mr. Richard Stephenson Harper and Mr. Forrester Lord, and I appear with my learned friend Mr. Warren for the Secretary of State for the Home Department. I desire leave to move the Court with short notice of motion for an Order that the interim injunction granted by Mr. Justice Roxburgh on Friday last restraining the Secretary of State for the Home Department from submitting a draft Order-in-Council entitled the Draft Parliamentary Constituencies (Manchester, Oldham and Ashton-under-Lyne) Order, 1954, to Her Majesty in Council for approval be discharged.

I would like your Lordships first of all to glance at the last page of the Shorthand Note of the Judgment, because I think I should first satisfy your Lordships that the matter comes properly before this Court. The application before Mr. Justice Roxburgh was ex parte, but after the learned Judge had announced that he would grant this interim injunction, Mr. Warren, who was appearing with my learned friend Mr. Solicitor-General who was there at one time, said, as your Lordships will see on page 9: “Might I make an application to your Lordship? I have been silent up to now. (Mr. Justice Roxburgh): Strictly, you are not before the Court. I will hear what your application is. (Mr. Warren): I am instructed that the Attorney-General would wish to move to discharge the ex parte injunction which your Lordship has just granted before Tuesday, to which date the injunction runs. I apprehend that in ordinary circumstances the Attorney-General might have moved your Lordship on Monday. Your Lordship has already stated the inconvenience of any proceedings of this nature before your Lordship on Monday. (Mr. Justice Roxburgh): I am addressing you without prejudice because you are strictly not before the Court but I am prepared to listen to you. Is your right course not to go to the Court of Appeal? I do not know; I reserve that until the matter comes on. I should have thought that the Court of Appeal existed to put a Judge right if he has made a mistake. Indeed, sometimes, in a case like this, I may say I am glad there is a Court of Appeal. (Mr. Warren): I am not certain that it would not be the proper process to apply to your Lordship to discharge the ex parte injunction and then, if your Lordship turns the Attorney-General down on that point, to go to the Court of Appeal. (Mr. Justice Roxburgh): I am not going to be involved in nonsensical procedures. If you have to come to me to discharge the Order that is one thing, but the next motion day in any Court, as far as I know, is Tuesday, and of course on Tuesday the Order will be, so far as I am concerned, wholly reconsidered. That is always so with an ex parte injunction and I shall on Tuesday, if the matter comes back to me, as it were, start afresh. I am not at all clear that between now and that date you can come to me to discharge the Order. I am certain that you can go to the Court of Appeal and see what happens there.”

Lord Justice Jenkins: If an Order is made against somebody ex parte and it is to their detriment. I should have thought prima facie it would go at once to the Judge who made the Order, and they would ask that it be discharged.

The Attorney-General: I think the implication from this is that the learned Judge was not prepared to discharge this Order.

The Master of the Rolls: It looks as though he would have regarded that as a nonsensical procedure, though I must not be taken to assent.
The Attorney-General: The implication that I am asking your Lordship to read into this is that Mr. Warren was intimating that he desired that the injunction should be discharged, and the learned Judge had said that he would not hear such a motion until Tuesday. In those circumstances, in my submission, as this is, as I shall shortly indicate, a matter of great urgency, the only course open to us is to come straight to your Lordships, and as I shall show your Lordships, under the Judicature Act we can come on a matter like this without the leave of the learned Judge.

The Master of the Rolls: I have an idea that we had a somewhat similar case where an ex parte injunction was granted against the Musicians' Union, and the Union came here. I do not know what view Sir Andrew will take, but in the ordinary course and assuming time is not a matter of very great importance, I should have thought the course would be to move to discharge the Order and you would not have to wait until the next motion day. Then if the Judge says No, you come here.

The Attorney-General: If I might just finish this before making the comment, in my submission the implication from what Mr. Justice Roxburgh said on last Friday evening was that he was not prepared to grant any facilities for such a motion.

The Master of the Rolls: I agree that is what it looks like.

The Attorney-General: If I may read on, the learned Judge said: "I am certain that you can go to the Court of Appeal and see what happens there. I cannot tell you. So far as I am concerned, I am not going to give any facilities to discharge this Order before Tuesday, because I have not got the time to give. It seems to me that if you want to make an application there is the Court of Appeal"; so the learned Judge was saying: "If you come back to me on Monday I am not going to hear you." In those circumstances, in my submission, this Court would be entitled to treat what the learned Judge said on Friday last as really refusing the motion for discharge, which I respectfully agree ought technically, if time permitted, always to be made. In my submission, your Lordships can treat this as a motion for discharge which was rejected by the learned Judge.

The Judicature Act, 1925, makes provision for an appeal from the learned Judge's decision. It is also in the Annual Practice at pages 1235 and 1236. At the foot of page 1235 your Lordships see: "Appeals with Leave only. In the following cases appeal lies to the Court of Appeal only if leave to appeal is obtained"—and then one turns to Paragraph 2 on the next page: "From any interlocutory order or interlocutory judgment made or given by a Judge . . . except in the following cases"—and it is an exception to the Rule that leave is required "Where an injunction or the appointment of a receiver is granted or refused."

I think it appears even more clearly from the terms of the Judicature Act itself, Section 31(1), which says: "No appeal shall lie . . . (i) without the leave of the Judge or the Court of Appeal or any interlocutory order or any interlocutory judgment made or given by a Judge except in the following cases namely"—and the second case—"where an injunction or the appointment of a receiver is granted or refused."

In my submission, I am properly here; and indeed I am here at the first possible opportunity on this matter, which is of considerable urgency and importance.

The Master of the Rolls: You say an injunction is granted against the Defendant who was in fact there although it was ex parte. That does not limit the Defendant's right to appeal, though in the ordinary case it might
be that if the preferred procedure had been used to discharge it, whether that procedure should be adopted is a matter for the circumstances of the case, and there you have got an intimation from the learned Judge that he would not be disposed to discharge it, and in any case would not deal with it until a date which you say is too late to be useful to you. That is what it comes to?

*The Attorney-General:* Yes, I do say that. If the views expressed by Mr. Justice Roxburgh are well founded, it may mean, first of all, that none of the draft Orders in relation to constituencies already approved by both Houses of Parliament can properly be submitted to Her Majesty in Council. It may mean that the Houses of Parliament could not properly consider the remaining draft Orders laid before them. Mr. Justice Roxburgh’s decision, if correct, would appear to affect every recommendation of the Boundary Commission for England. So far as London is concerned, and it may be, I am not sure, also so far as other boroughs are concerned, time is of very great importance, because following upon the change of the Parliamentary constituency boundaries changes have to be made in the local government constituency boundaries; the local government elections will take place next March, and there has to be a great deal done with regard to the arrangements for those elections before that date comes.

*The Master of the Rolls:* Have you anything more you want to say on the procedural point, because I think it would be right for me to ask Sir Andrew what he says about it?

*The Attorney-General:* No, I do not think there is anything more, My Lord.

*The Master of the Rolls:* I should have thought on a matter of urgency, though I will hear what is said, *prima facie* if the Secretary of State says it is very urgent to get this matter dealt with, if possible to-day, the Court would accept that.

*The Attorney-General:* I would say this on the urgency matter. The Court will be rising, as indeed will be the House of Commons, in a very short space of time. If the views of Mr. Justice Roxburgh are not upset and the injunction continues, it might mean that the draft Orders could not properly be considered by the House of Commons before the recess, which in turn would mean that they could not be considered until the House meets again towards the end of January, which would delay the whole process of implementation of those draft Orders. That is all I desire to say on the matter of urgency.

*The Master of the Rolls:* Sir Andrew, in view of what has been said, we all feel *prima facie* that we have jurisdiction to hear, and ought to hear, the appeal, but of course we would not decide that if you contest it until we have heard you.

*Sir Andrew Clark:* May I put the position to your Lordships? It is this: In my submission your Lordships have no jurisdiction to hear an appeal against an *ex parte* injunction. Your Lordships have got jurisdiction to hear an appeal from a refusal to rescind an *ex parte* injunction.

*The Master of the Rolls:* It is almost the same thing. If the Judge says: “I cannot hear it on Monday, and what is more, will not,” and further suggests that an application to discharge it is a nonsensical procedure—

*Sir Andrew Clark:* With respect, in fairness to his Lordship, I do not think his Lordship was referring to that as the nonsensical procedure.
was a good deal of difficulty, because no appearance had been entered by the Secretary of State, and Mr. Solicitor-General said he was not willing to give an undertaking to enter an appearance. Therefore, it was difficult. There was really nobody before his Lordship, and it was to that that his Lordship was referring, because his Lordship goes on and says: “If you have to come to me to discharge the Order that is one thing.” That is not what he was considering as the nonsensical procedure. Your Lordships may well take the view that this paragraph amounts to a refusal to discharge the Order.

The Master of the Rolls: I do not want you to think I am being impolite to the Judge. I did not mean to criticise him. What I understood that to mean was, that merely to go through the rigmarole of hearing a formal application to discharge would waste time.

Sir Andrew Clark: I have difficulty in thinking that his Lordship really meant that, because his Lordship had not heard any argument from the Solicitor-General. He had only heard one side of the motion, so to speak. What is before your Lordships at the moment is not the motion. The motion comes on on Tuesday. The only question before your Lordships is whether there should be an ex parte injunction before Tuesday when the motion comes on. There can be no appeal on the motion, which has not been heard at all. This was merely an ex parte application of mine for leave to serve notice of motion with the writ, and an ex parte injunction was granted on that. Then his Lordship directed that I should serve short notice of motion for 2 o’clock so as to afford Mr. Solicitor-General or Mr. Attorney an opportunity of being present. Mr. Solicitor-General was there. He had not entered an appearance, and he did outline an objection to the jurisdiction, but said he was not in a position to argue the motion, and did not want to argue the motion, that the motion could not be heard and that he was not fully instructed, so the motion was never heard before Mr. Justice Roxburgh, and there has been no argument on the motion. His Lordship has heard my opening on the motion, on which he said it was a case to be tried, and that in view of the Act, which provides that once the assent of Her Majesty is granted to the Order in Council it cannot be challenged in any Court, so that if the Order in Council had been presented before Her Majesty before the motion was heard on Tuesday, whatever the wrongs or rights or the merits of my case, I was out of Court for all time, and there was an end of the matter. His Lordship asked Mr. Solicitor-General if he would make a statement or give an undertaking that pending the hearing of the motion on Tuesday the Order in Council would not be presented. Mr. Solicitor-General said he could not do that, and was not prepared to do that, and was not prepared to argue the motion. Then his Lordship said: “I will continue with the ex parte application and see whether I shall grant an ex parte injunction.”

The Master of the Rolls: The matter before us is the ex parte injunction.

Sir Andrew Clark: Yes, and only the ex parte injunction.

The Master of the Rolls: It was the learned Judge’s intimation that he was unable to hear any application in regard to it to-day.

Sir Andrew Clark: Yes.

The Master of the Rolls: That being so, unless the Defendant is without remedy altogether, he must be entitled to come here, must he not?

Sir Andrew Clark: If that amounts to a refusal to hear, which perhaps your Lordship may feel it does, yes, it would be so.
The Master of the Rolls: I say refusal; again, I do not want to be impolite to the Judge: a statement that he would be unable to hear it.

Sir Andrew Clark: I do not want to take a technical point in this case. If your Lordships feel that your Lordships have jurisdiction I shall not proceed in some purely technical obstructive matter, but I am bound to put the point to your Lordships.

The Master of the Rolls: Non constat we should take a different view from that entertained by the Judge.

Sir Andrew Clark: No. I stress to your Lordship that it is not a case where your Lordships should go into the whole motion and try the motion. The only question before your Lordships is whether the status quo should be preserved until Tuesday. The motion has not been heard.

Lord Justice Jenkins: Strictly speaking, a speedy trial to take place before Tuesday ought to be directed, because unless you succeed there will be nothing left in the action.

Sir Andrew Clark: It may be that until the case has been fully argued in the Court of first instance, it is difficult to argue it.

The Master of the Rolls: Supposing we came to the conclusion that we ought not to interfere with the learned Judge, that is easy. If, on the other hand, we came to the conclusion that we ought to interfere, but that the matter would come in the ordinary way before the Judge to-morrow, unless the motion were heard and dealt with with the most extraordinary despatch, by the time the Order has been made by the Judge it is too late. The suggestion was that the Secretary of State would present the draft Orders to Her Majesty in Privy Council to-morrow morning.

Sir Andrew Clark: Yes, my Lord.

The Master of the Rolls: That would cut your argument very short indeed; it would have been done by the time you had finished.

Sir Andrew Clark: Yes, my Lord, and that is why his Lordship granted an ex parte injunction, because there was no undertaking not to do that. On the question of urgency, it is said that Parliament would not have time to consider these Orders, but your Lordships will see there is no question of Parliament considering the Orders again; they have been considered by Parliament, and they are either rejected or not.

The Attorney-General: That is referring to other Orders still before the House.

Sir Andrew Clark: If your Lordships feel your Lordships have jurisdiction I do not wish to press any purely technical point which would cause unnecessary delay and difficulty.

The Master of the Rolls: Mr. Attorney, what occurs to us is this, that Sir Andrew is right, that all we are concerned with is the ex parte injunction, and we can only make an Order on that.

The Attorney-General: Yes.

The Master of the Rolls: If one may rely upon what one reads in the Press, the learned Judge was moved to grant that injunction by the view he took of an Act of Parliament.

The Attorney-General: Yes.
"The Master of the Rolls": No doubt you will say that was an erroneous view, and if we thought it was and said so it might have, from your point of view, excellent results, but we must not lose sight of the fact when we consider matters of discretion and so on, that we are only dealing with an ex parte injunction.

"The Attorney-General": Your Lordships are dealing with an ex parte injunction, and my submission is that his Lordship had no jurisdiction whatsoever to grant it.

"The Master of the Rolls": You attack it in limine.

"The Attorney-General": Yes, I attack it in limine, and I attack it all along the line as well, because even if he thought there was an error on the part of the Boundary Commission, it still remains a report of the Boundary Commission, and there was no ground whatsoever, as is easily demonstrable, for saying that that report was ultra vires, and as I shall show your Lordships, the Statute itself is mandatory so far as the Home Secretary is concerned: once the draft Order is approved by resolution of the House of Commons it is a mandatory obligation on him, and he has no discretion in the matter at all.

"The Master of the Rolls": Even though the Commissioners have demonstrably erred and there appears a report on the face of it containing a distortion of their powers?

"The Attorney-General": So long as it is a report of the Boundary Commission (which it clearly was) and the draft Order is laid, as it can be, with or without modification of their recommendation, the Statute provides that once there is approval by resolution of the House the Secretary of State shall submit the Order to Her Majesty in Council. The injunction granted at my learned friend’s instance ex parte, is an injunction enjoining the Secretary of State for the Home Department to refrain from doing something which he is under a statutory duty to do, and in relation to which once the approval of the House is given he has no discretion whatsoever. In those circumstances, in my submission, once one comes to this Court—and in my submission one properly comes to this Court, having regard to the time factor—I am entitled to ask your Lordships to discharge an ex parte injunction which ought, in my submission, never to have been made.

The motion was on behalf of two gentlemen, Mr. Harper and Mr. Lord who are at the moment electors of the Gorton Division of Manchester, and under the draft preliminary Order their right of voting will be transferred to voting in the new Openshaw Division. No question of loss of franchise arises; the only effect of the Order is to change the constituency in which they can exercise that right of franchise. If I may outline my submissions, I submit first of all that Mr. Justice Roxburgh had no jurisdiction to grant such an injunction against the Secretary of State for the Home Department: I submit that the High Court has no power to restrain a Minister of the Crown from submitting a document to Her Majesty for Her Majesty’s approval in Council, just as it has no power to grant an Order of Mandamus directing a Minister of the Crown to give Her Majesty certain advice in Council. After a Bill has received its third Reading it has, of course, to be submitted to Her Majesty for the Royal Assent. In relation to the procedure under this Act of 1949, neither House considers a Bill. They have under that Act to approve the draft Order-in-Council, which has then, if approved, to be submitted to Her Majesty in Council. So your Lordships see that the procedure in substance is the same as in relation to a Bill. A
Bill when it has passed both Houses expresses the view of both Houses as to what should be made legislation. It requires the Royal Assent. The draft Orders when approved by each House of Parliament contain what each House has expressed to be its desire to see made law. It does become law when it receives the Royal Assent in Council, just as a Bill becomes an Act of Parliament when it receives the Royal Assent. Just as, in my submission, it is inconceivable that after a Bill has passed its third Reading a Court has jurisdiction to prevent the Bill being submitted for the Royal Assent at the instance of two individuals, so is it equally inconceivable that after a draft Order has been approved by resolution of each House of Commons a Court can intervene and by injunction prevent that draft Order in Council so approved from being submitted to Her Majesty as the Act requires.

Secondly, in my submission, the Crown Proceedings Act, 1949, does not contain any power which enables my learned friend to obtain properly such an injunction. ex parte or otherwise. Thirdly, even if the Court had jurisdiction to grant such an injunction, in my submission there was no ground whatsoever for doing so. As your Lordships will see, the learned Judge appears to have based his decision on the view that the report of the Boundary Commission contained an error, a departure by the Boundary Commission from the requirements imposed upon them by the Act. Having, as he thought, detected an error, the learned Judge proceeded to treat this report of the Boundary Commission as if it had ceased to be a report of the Boundary Commission. In my submission, there was no error on the part of the Boundary Commission, and their report does not reveal any indication that they departed from the rules which they were required to observe.

Lord Justice Jenkins: Supposing it was arguable that they had, a queer situation would arise, because you might get both Houses of Parliament reconsidering the thing and saying in their view it was a perfectly good draft Order complying with the report, and you might get the Court saying it is not. That is a queer situation.

The Attorney-General: It is, and particularly queer when both the House of Commons and the House of Lords have to approve it, and when the matter might go on appeal to the House of Lords which has already approved the Order. To conclude outlining my submissions, even if the report did on the face of it contain an error, in my submission it did not cease to be the report of the Boundary Commission submitted under the Act, which Act required them to submit reports from time to time.

With those preliminary observations, perhaps it would be convenient to look straight away at the relevant Statute, the House of Commons (Redistribution of Seats) Act, 1949, Volume 2. I will, if I may, turn first to Section 1 (1): “For the purpose of the continuous review of the distribution of seats at parliamentary elections, there shall be four permanent Boundary Commissions, namely, a Boundary Commission for England, a Boundary Commission for Scotland, a Boundary Commission for Wales and a Boundary Commission for Northern Ireland.” Then Section 2 (1) says: “Each Boundary Commission shall keep under review the representation in the House of Commons of the part of the United Kingdom with which they are concerned and shall, in accordance with the next following Subsection, submit to the Secretary of State reports with respect to the whole of that part of the United Kingdom, either—(a) showing the constituencies into which they recommend that it should be divided in order to give effect to the rules set out in the Second Schedule to this Act; or (b) stating that, in the opinion of the Commission, no alteration is required to be made in respect of that part of the United Kingdom in order to give effect to the said rules.”
I think I can turn straight on to Subsection (5) of that Section, which is an important Subsection: "As soon as may be after a Boundary Commission have submitted a report to the Secretary of State under this Act, he shall lay the report before Parliament together, except in a case where the report states that no alteration is required to be made in respect of the part of the United Kingdom with which the Commission are concerned, with the draft of an Order in Council for giving effect, whether with or without modifications, to the recommendations contained in the report." So your Lordships see that the Boundary Commission from time to time will submit under Section 2 (1) reports to the Secretary of State. It then becomes a duty on the Secretary of State to lay them, and if one considers the earlier words of Subsection (5), emphasis was placed by the learned Judge on the words at the beginning of that Section: "report under this Act," but the words "under this Act" relate back to the verb "submitted." The Subsection says: "As soon as may be after a Boundary Commission have submitted a report to the Secretary of State under this Act. . . ." Once it is laid, the Secretary of State has to lay with it the draft Order, whether with or without modifications, to the recommendations contained in the report.

Section 3 (2) is in these terms: "The draft of any Order in Council laid before Parliament by the Secretary of State under this Act for giving effect, whether with or without modifications, to the recommendations contained in the report of a Boundary Commission may make provision (a) for any matters which appear to him to be incidental thereto or consequential thereon," and I do not think sub-paragraph (b) is material.

Then Subsection (4), which is an important Subsection, says: "If any such draft is approved by resolution of each House of Parliament, the Secretary of State shall submit it to His Majesty in Council." Your Lordships will see that the ex parte injunction granted here restrains the Secretary of State from doing the very thing that Subsection (4), which is mandatory, requires him to do. So the Secretary of State is now faced with the dilemma that either he acts in contempt of Court in breach of the injunction granted by Mr. Justice Roxburgh, or he fails to carry out the duty imposed upon him by this Act.

The Master of the Rolls: Subject to this: it does not say when he has to do it.

The Attorney-General: No, but it says he shall. He has no discretion in the matter; he has to do it some time. The fact that he has no discretion is important, because my learned friend sought to argue before Mr. Justice Roxburgh that the Home Secretary, once the Order was approved by the House of Commons, had as my learned friend said, "the ball at his feet," implying that the Home Secretary could kick it in any direction. In my submission that is utterly inaccurate. There is only one thing that the Home Secretary can do when the Order is approved, and that is to submit it to Her Majesty. It will then be for Her Majesty in Council to decide whether or not the Order should be made of legislative effect. As I submit, the Home Secretary has no discretion in the matter at all at that stage.

Subsection (5) says: "If a motion for the approval of any such draft is rejected by either House of Parliament or withdrawn by leave of the House, the Secretary of State may amend the draft and lay the amended draft before Parliament, and if the draft as so amended is approved by resolution of each House of Parliament, the Secretary of State shall submit it to His Majesty in Council." The next Subsection to which I ought to draw your Lordships' attention is Subsection (6): "Where the draft of an Order in Council is
submitted to His Majesty in Council under this Act, His Majesty in Council may make an Order in terms of the draft which shall come into force on such date as may be specified therein and shall have effect notwithstanding anything in any enactment." Then there is provision about any parliamentary election which has taken place during the present Parliament. Subsection (7) is: “The validity of any Order in Council purporting to be made under this Act and reciting that a draft thereof has been approved by resolution of each House of Parliament shall not be called in question in any legal proceedings whatsoever,” so it is perfectly true to say that once the Order in Council is made it cannot be challenged. On this particular provision my learned friend sought to found an argument that from this express provision it is to be implied that the Courts have jurisdiction to interfere before the Order is made. I would submit that until the Order is made the position of these two electors remains unaltered, and, as I have just submitted to your Lordships, Her Majesty in Council may decide to make the Order or may decide that the Order should not be made. The effect of the injunction directed to the Home Secretary at the present time is, in my submission, similar to an injunction to stop proceedings being brought before a Court at which a decision on a justiciable issue may be reached.

The Master of the Rolls: How far do you go? To the eye at first sight, the question whether two gentlemen should cast their votes in one constituency rather than another does not seem important, though I well believe there is much more in it than meets the eye at first sight. But if there were some statute whereby under an Order in Council made following a report somebody's property was going to be taken away under the franchise and it was made apparent that the House of Commons and the House of Lords had been misled by something in a report, do you say the Courts would have no jurisdiction to protect the citizen from what would be then an irretrievable step depriving him of his rights?

The Attorney-General: They might, as I shall indicate to your Lordship, have power to intervene before the approval of both Houses. Under a statute such as this where the approval of both Houses has to be followed by submission to Her Majesty, there is in my submission no right to intervene once the approval of both Houses has been obtained.

The Master of the Rolls: So on those facts the citizen would be without remedy in Court?

The Attorney-General: If it appears that before the Boundary Commission reported—and I shall show your Lordships a case on this—they were proceeding on the wrong line, as it might appear in an inquiry which the Boundary Commission had ordered to be held, then it might be that the Courts would be able to issue a Writ of Prohibition to prevent the Boundary Commission proceeding along the wrong lines. Where a report has come before Parliament it is for Parliament, in my submission, to consider those matters. If having had the report before Parliament, no Writ of Prohibition having been issued before then, approval to the resolution is given, after that, in my submission the Courts cannot interfere, just as in my submission they cannot interfere after a Bill has passed its third Reading in both Houses and awaits the Royal Assent. It is too late. The Courts cannot then say: “The Bill having expressed the intention of both Houses as to what they wanted to be put into legislation the Court can interfere.” After that it cannot be said here that the draft Order also containing what the Houses of Parliament wish to see embodied in legislation could be stopped from being submitted to Her Majesty.
The point I was trying to make was that, although this injunction in terms is an injunction to restrain the Home Secretary, it is an injunction to restrain him from doing something, namely, submitting the draft to Her Majesty so as to prevent Her Majesty in Council from considering whether or not to make the Order. Consequently, although this injunction is in terms directed to the Secretary of State for the Home Department, it is in fact directed to the Crown.

There is one other matter about which I ought to inform your Lordships before I come back to the Statute. On Tuesday, the 14th December, the Mayor, Aldermen and Councillors of Hammersmith and Fulham asked Mr. Justice Harman to order the Boundary Commission to intimate to the Home Secretary that their report was a nullity. As I shall show your Lordships, Mr. Justice Harman said in his Judgment upon that motion that it did not seem to him that it was for the Courts at all to interfere by injunction, advice or declaration, or in any other way, with the recommendations of the Boundary Commission. In my submission, Mr. Justice Harman's Judgment on that point was entirely right. I shall refer your Lordships to his Judgment later. It was mentioned to Mr. Justice Roxburgh but not considered by him, or indeed read to him.

May I come back to the Act once more and to the First Schedule of the Act? Your Lordships will see there that the constitution of the Boundary Commission is dealt with: “1. The Speaker of the House of Commons shall be the chairman of each of the four Commissions. 2. The Commission for England shall consist of the chairman, the Registrar-General of Births, Deaths and Marriages in England, the Director-General of Ordnance Survey and two other members of whom one shall be appointed by the Secretary of State and the other by the Minister of Health.” Then: “6. One of the members of each Commission, to be nominated by the chairman, shall be deputy chairman of the Commission.” Paragraph 7 contains a clause disqualifying any member of the House of Commons, or of either House of the Parliament of Northern Ireland. Your Lordships will see that the Speaker of the House of Commons is Chairman of each Commission.

The Master of the Rolls: This disqualification in Paragraph 7, therefore, does not appear to affect him.

The Attorney-General: No. Then in Part III, Procedure, Paragraph 2 says: “For the purpose of considering any matter of common concern, the Commissions, or any two or three of them, may hold joint meetings”, so when any question arises of common concern to the Welsh or Scottish Commission they can meet together with the English Commission if required. Then Paragraph 7: “Every document purporting to be an instrument made or issued by a Commission and to be signed by the secretary or any person authorised to act in that behalf, shall be received in evidence and shall, until the contrary is proved, be deemed to be an instrument made or issued by the Commission.”

The Master of the Rolls: What is the point of Paragraph 7?

The Attorney-General: Merely that once the document purports to be the report of the Boundary Commission it is received.

The Master of the Rolls: There is no question of that sort here, is there?

The Attorney-General: No. I merely draw your Lordships’ attention to it. Then there is the Second Schedule, which is of great importance: “Rules for Redistribution of Seats. 1. The number of constituencies in the several parts of the United Kingdom set out in the first column of the following table shall be as stated respectively in the second column of that table—Part
of the United Kingdom: Great Britain—No. of Constituencies: Not substantially greater or less than 613. Scotland—Not less than 71. Wales—Not less than 35. Northern Ireland—12.

I would ask your Lordships now, because I think it will help in the matter, to glance at the House of Commons (Redistribution of Seats) Act, 1944. That was the first of these series of Acts, and it did two things: In 1944 there were a number of constituencies with an electorate of over 100,000. It was the Act which set up the Boundary Commission. The first thing it did was to make immediate provision for the splitting up of those very large constituencies; your Lordships will see that it enacted that those constituencies should be divided into more constituencies, which resulted in an increase of 25.

Would your Lordships look at page 392, the Third Schedule of the House of Commons (Redistribution of Seats) Act, 1944? Your Lordships will see that the first rule is very similar to the one I have just read to your Lordships in the 1949 Act, except that the number for Great Britain is “Not substantially greater or less than 591.” Then if your Lordships would look at Rule 4, your Lordships will see there is the reference to the rule which is important as part of the history in relation to the electoral quota: “So far as is practicable having regard to rule 1 of these rules, the electorate of any constituency returning a single member shall not be greater or less than the electoral quota by more than approximately one-quarter of the electoral quota.” So that the Boundary Commission was then faced with this task under the 1944 Act: Scotland, not less than 71 seats; Wales, not less than 35 seats; and England would have a number not substantially greater or less than 591, less 71 and less 35. Having arrived at that figure, the constituencies then had to be so adjusted that the electorate for any constituency returning a single member should not be greater or less than the electoral quota by more than approximately one-quarter of the electoral quota. I should tell your Lordships straight away that Rule 4 has gone, because it made the division into constituencies, having regard to local affinities, local government boundaries, and things of that sort, in many cases quite impracticable.

The Master of the Rolls: I am not sure that I have followed this. Would you mind putting it again?

The Attorney-General: You have here in Rule 1 the governing rule of the number of seats. We will come to what the electoral quota is in a moment, but you have in Rule 4 the rule that the electorate of each constituency must not exceed or be less than approximately one quarter of the electoral quota.

The Master of the Rolls: If the electoral quota was 40,000 it must not be more than 40,000 or less than 30,000?

The Attorney-General: Yes, it had to be within those limits, and that meant, as your Lordship will see, a great deal of splitting up, taking wards out of boroughs and putting them into county divisions, and things of that sort. That rule has now gone, but I draw your Lordships’ attention to it because it shows that even at that stage there was to be a considerable amount of flexibility by the Boundary Commission in determining the constituencies having regard to the electoral quota.

On the next page, Paragraph 8 (1) (a) says: “For the purpose of these rules—(a) the expression ‘electoral quota’ means—(i) in the application of these rules to a constituency in Great Britain, a number obtained by dividing the electorate for Great Britain by the number of constituencies in Great Britain existing on the enumeration date, or, in applying these rules for the
purpose of section three of this Act, by the number of such constituencies existing at the commencement of this Act, namely five hundred and ninety-one.” So that the main requirement there was that the number should be not substantially greater or less than 591, the then number of the Members of the House of Commons.

The Boundary Commission’s first report was in 1947. They recommended an increase of five. Then there came the Representation of the People Act, 1948, and although the Boundary Commission had recommended an increase of five, that Act provided that the number should go up from 591 to 613, and that is how one gets the figure in Paragraph 1 of the Second Schedule of the 1949 Act. In this instance, and it is material, Parliament despite the Report increased the number of constituencies by 17 above the number recommended by the Boundary Commission.

Lord Justice Jenkins: That was then done by Act of Parliament which was correcting the error.

The Attorney-General: Yes.

Lord Justice Jenkins: Does such an Order in Council made under an Act of Parliament introduce some kind of consideration of ultra vires?

The Attorney-General: You have two different types; you have the Order in Council which can be made and can be challenged by a negative resolution, or it may be subject to an affirmative resolution. You have what I might call here the highest sort of Order in Council where the Draft Order has to be submitted for the approval of the House of Commons first; if it is approved then it is submitted, and it may be made, so just like your Bill on the third reading, the House of Commons has approved the contents of the Order as it has approved the contents of the Bill.

Lord Justice Jenkins: Do you say it is the same thing as if it was done by an Act?

The Attorney-General: In this form of Order in Council which is preceded by a Draft Resolution embodying the approval of the House, that is so.

Lord Justice Jenkins: It does say: notwithstanding anything in any enactment; that gets over the ultra vires difficulty.

The Attorney-General: One gets all kinds of delegated legislation, I suppose one could regard these Orders in Council made under an Act of Parliament in one sense as delegated legislation. It is not the ordinary form where power is given to a Ministry by signing a statutory instrument, giving that instrument the force of law which again can be challenged in the House of Commons for 40 days. Before these Orders have any effect at all, their content has to be approved by resolution of each House.

With regard to the first rule, that is the governing rule, the final number of seats in Great Britain under this Act is not to be substantially greater or less than 613. I desire to make this point, that in the first place it is for the Commission to express their view as to whether a number is substantially greater or less than 613. It may be that Parliament will agree with that view or not agree with it, but in my submission it is certainly not a matter for this Court or for any Court to decide whether a particular number is greater or less than 613 or whether the Boundary Commission . . . .

The Master of the Rolls: Not whether it is greater or less; anybody can tell that.
The Attorney-General: Substantially greater; I left out the word, I am sorry. It is not for this Court to decide that; if they were to take this upon themselves, they are usurping the functions of the Boundary Commission. It is, as I say, for the Boundary Commission first and for Parliament second. It may be said that the increase of 25 made by the 1944 Act in the division of the big constituencies would have formed a small percentage of the total of 591, but Parliament in 1944, as your Lordships will have seen, clearly meant that the 25 extra new seats which had immediately to be created . . . .

The Master of the Rolls: 22, was it not?

The Attorney-General: 25 under the 1944 Act.

The Master of the Rolls: I thought it was from 591 to 613.

The Attorney-General: No, my Lord, the 1944 Act had two stages . . . .

The Master of the Rolls: I have got the thing wrong, it is my mistake.

The Attorney-General: It said you must divide the big towns straight away; that made 25 more constituencies straight away. That 25 had to be absorbed in a total not substantially greater than 591. That in itself is some indication that Parliament regarded 25 as a substantial increase on 591. In my submission, a percentage, be it small, increase on 613 is again no criterion, because in determining whether for the purposes of membership of the House of Commons the number is substantially greater or less than 613, regard should, in my submission, be had to factors peculiar to Parliament, the history of Parliament with regard to numbers, the fact that in 1944 and again in 1949 the governing consideration is to keep the number something like the present number of Members, also having regard to the size of the Chamber . . . .

The Master of the Rolls: Could you help me, Mr. Attorney. You probably assume, and may assume wrongly, that I have clearly in my mind the basis on which Mr. Justice Roxburgh thought that the Commission had gone wrong.

The Attorney-General: I can say that in a nutshell; I am sorry my Lord, I ought to have indicated that. He came to the conclusion that under these Rules the governing factor was that the electoral quota of Great Britain should be applied; you should then see the result of that arithmetical sum applying the electoral quota to the electorate of England and create the number of seats for England in conformity with that quota, unless it was substantially greater than the number which England could have in regard to Scotland and Wales.

In my submission, he was wrong in so doing, because as I submit to your Lordships on this first view which I am now animadverting upon, that is the governing factor, it must not be substantially greater and if in the Commission's view an increase of 13 was in their view substantially greater, then under the Rules they would be entitled in my submission to make adjustments so as to bring down the number to a figure which was not in their opinion substantially greater. As your Lordships will see when one looks at the Reports, that is what they did both in 1947 and in 1954.

The Master of the Rolls: Is this what it comes to: it was discovered that first of all you subtract this 106—I assume that is right and not 118, whatever it is—from 613. You then found that if you divided the total electorate by the electoral quota, the resulting figure would be substantially different, or I assume more than 613 minus 106. Having arrived at that figure, they then said: We must now in effect enlarge the electoral quota or enlarge the constituencies here and there to keep the number down.
The Attorney-General: Yes, and that is what is bound to happen when one has these minimum figures in Scotland and Wales with a smaller population in the constituencies, in consequence, than one has in an English constituency. I was just going to come on to that, but the number here if you apply the electoral quota would mean an increase of 13 seats.

The Master of the Rolls: The electoral quota—I do not know, I have not followed it all—is not in itself an immutable figure; that was merely to begin with an arithmetical result, then they said: you must use the result, no longer as a conclusion, but a promise.

The Attorney-General: It is a yardstick. The point I am trying to make good is this, because Mr. Justice Roxburgh expressed a view on this increase of 13. My learned friend argued it was really 2 per cent. increase, and could not be substantially greater. The point I am trying to make good is that it is not for my learned friend or Mr. Justice Roxburgh; it is a matter in the first place for the Boundary Commission and then for Parliament. The figure if you take 106 from 613, because we can leave out Northern Ireland, is 507 seats for England, but Wales had in fact at the time of this Boundary Commission 36, so we are left with this that the number of English constituencies is not to be substantially greater or less than 506.

Rule 4 is the next important Rule: “1. So far as practicable”—your Lordship will note these words—“having regard to the foregoing Rules”—:

“(a) In England and Wales,—(i) no county or any part thereof shall be included in a constituency which includes the whole or part of any other county or the whole or part of a county borough or metropolitan borough; (ii) no county borough or any part thereof shall be included in a constituency which includes the whole or part of any other county borough or the whole or part of a metropolitan borough; (iii) no metropolitan borough or any part thereof shall be included in a constituency which includes the whole or part of any other metropolitan borough; (iv) no county district shall be included partly in one constituency and partly in another”; and then there are the provisions about Scotland and Ireland.

Your Lordships will see that the local government boundaries are, so far as possible, so far as practicable, having regard to the foregoing rule to be preserved. Then Rule 5—this is where one gets the electoral quota coming in—“The Electorate of any constituency shall be as near the electoral quota as is practicable having regard to the foregoing rules.” May I pause there for one moment and say that that in my submission means no more than it says, that the Boundary Commission have got to try to get the electorate as near as possible to the quota having regard, among other things, to the total number of seats, being limited in England to a number not substantially greater than 506. Rule 5 continues: “And a Boundary Commission may depart from the strict application of the last foregoing rule if it appears to them that a departure is desirable to avoid an excessive disparity between the electorate of any constituency and the electoral quota, or between the electorate thereof and that of neighbouring constituencies in the part of the United Kingdom with which they are concerned.” So you can adjust County Boroughs and Borough boundaries to avoid an excessive disparity, and having regard to the final number, which is Rule 1, the first Rule of the foregoing Rules, the aim and object is to get the number of constituencies as near as practicable to the electoral quota.

Rule 6, which is another matter which the Boundary Commission can have in mind: “A Boundary Commission may depart from the strict application of the last two foregoing rules if special geographical considerations, including in particular the size, shape and accessibility of a
constituency, appear to them to render a departure desirable. 7. For the purpose of these rules—(a) the expression 'electoral quota' means—(i) in the application of these rules to a constituency in Great Britain, a number obtained by dividing the electorate for Great Britain by the number of constituencies in Great Britain existing on the enumeration date.” I do not think I need refer your Lordships any more to that.

*The Master of the Rolls*: The enumeration date I see is defined.

*The Attorney-General*: That is defined also, my Lord. All I need desire to say is that the calculation of the electoral quota is a pure mathematical calculation. Having got your electoral quota, it is a kind of yardstick which you apply, but which is applied subject to this, that the result of its application must give you a final number which is in relation to England not substantially greater than 506. There have been two Boundary Commission Reports so far, one in 1947 and this one in 1954 which refers to the one in 1947. Would your Lordships be good enough to glance first at the 1947 Report, then I propose to ask your Lordships to look at the 1954 Report, the material parts, and then come straight away to the judgment of Mr. Justice Roxburgh. May I ask your Lordships to look straight away at Paragraph 9 of the 1947 Report: “It is provided in Rule 1 of our instructions that the number of constituencies in Great Britain shall not be substantially greater or less than 591 of which the number of constituencies in Scotland shall be not less than 71 and the number of constituencies in Wales shall be not less than 35. Thus the number of constituencies available for redistribution in England was to be not substantially greater or less than 485. Before we could proceed with the formulation of our proposals on this basis, however, it became necessary to consider the effect of Rule 7”—that is under the old rules—“which excludes the City of London from the redistribution procedure and leaves the decision whether its allotment shall be two seats or one to be determined by Parliament. We came to the conclusion that it would be sufficient to assume for the purposes of our review that there would be only one seat for the City of London, and to base our recommendations upon a total distribution of 484 seats. This assumption was made only for the purpose of arriving at a provisional total number of seats, and in no way to anticipate the ultimate decision of Parliament. We allocated the 484 seats provisionally to administrative Counties with their associated County Boroughs on the basis of 1 seat for each complete unit of electors, the unit representing the average electorate in England, namely 59,312 determined by dividing by the English electorate, namely 28,706,999 (excluding Universities and the City of London) by 484.” They do not purport to take in 1947 for that calculation the electoral quota; they apply a calculation to arrive at a unit.

Paragraph 10 says: “Our general aim was the creation of constituencies as near the electoral quota as practicable consistent with the preservation of local unities.” I need not read any more of Paragraph 10, but in 11 they say in the middle: “In fact our final recommendations involve the division of England into 489 constituencies.” Then there is one sentence I would like to read in Paragraph 12 about the sixth line: they deal with accessibility and say: “Having reached this conclusion, we next had to determine what degree of variation from the electoral quota was proper for the purpose of preserving local unity.” They have considered that, and in Paragraph 14 they say in the second sentence: “In allocating additional seats we have been bound by the effect of Rule 1, namely that the number of constituencies in England should be not substantially greater or less than 484 and we have felt compelled to use sparingly the limited discretion given to us.”
I have referred to that because your Lordships ought to see the first report of the same Commission. Your Lordships will see when we now turn to the Boundary Commission Report of 1954 that precisely the same basis was adopted by this Commission in relation to the present situation as was adopted in 1947 in their Report which, of course, was not challenged by any injunction or anything of that kind at that time.

_Sir Andrew Clark:_ And was made under a totally different Act which was repealed.

_The Attorney-General:_ I have made it clear to their Lordships it was made under a different Act which was repealed, containing rules which are almost precisely similar.

_The Master of the Rolls:_ I cannot see that the absence of the injunction is a relevant point.

_The Attorney-General:_ Then may I come to Paragraph 8 of the 1954 Report. May I say in relation to my learned friend's interruption that the 1947 Report was made under a different Act but containing rules which were similar in this respect that there again the governing consideration was to be that the number of English seats should not be substantially greater than the specified total. Paragraph 8 says: “Rule 1 of our instructions provides that the number of constituencies in Great Britain was not to be substantially greater or less than 613 of which the number of constituencies in Scotland shall be not less than 71 and the number of constituencies in Wales shall be not less than 35. At an early stage of our proceedings we were advised that it was unlikely that the Boundary Commissions for Scotland and Wales would find it necessary to allocate more than the existing number of seats, namely 71 in Scotland and 26 in Wales. We thus proceeded on the basis that the number of constituencies available for distribution in England was to be not substantially greater or less than 506, and we allocated seats provisionally” — I ask your Lordships to mark that word — “to administrative Counties with their associated County Boroughs on the basis of 1 seat for each complete unit of electors, the unit representing the average electorate in England, namely 57,122, determined by dividing the total English electorate, namely 28,904,108 by 506. Paragraph 9: Our aim was to create 506 constituencies, each of which would be at or near the electoral quota, without cutting across local government boundaries. Where the grouping of the local population permitted of this, the task was simple. The numerous cases where it did not, called for special consideration, the choice lying between departing substantially from the quota” — your Lordships will note that — “or disregarding boundaries. In many instances we decided in exercise of the discretion given to us in Rule 6” — that is the rule relating to geographical considerations — “that we would be justified in recommending the creation or continuance of constituencies with electorates substantially below or in excess of the electoral quota but in no case have we recommended the creation of a constituency with an electorate in 1953 of less than 40,000 or more than 80,000. Paragraph 10: our final recommendations involve the division of England into 511 constituencies with broad ranges of electorates as follows,” so that they are finally recommending an increase of 5. I need not read those figures, but just read at the end of that paragraph: “Thus 410 constituencies, or more than 80 per cent. of the whole, fall within the range of 45,000 to 65,000 of which the electoral quota (55,670) forms the mean.”

If I may make this comment straight away, there is nothing in my submission in those paragraphs of the Report to show that the Boundary Commission did not calculate the electoral quota in accordance with the
requirements of the Act. There is everything to show that in fact they did so. They have adopted precisely the same process as in the first initial report of the Commission. Having determined the electoral quota, they then endeavour to create 506 constituencies with the electorate at or near the electoral quota without cutting across local government boundaries—that is Paragraph 9. They make the other calculation; there is another yardstick—if you cannot give the total figure which you arrive at by the application of the electoral quota—of finding the unit which should represent the average electorate in England, namely 57,122 determined by dividing the total English electorate by 506. They can do this; they did it before, there was nothing to prevent them under the Act, and there is nothing in this, in my submission, to show that they have not complied with the requirements as to the electoral quota. I do say that there is no ground for saying that the Boundary Commission in any way departed from the requirements of the Act.

Now I think it may be convenient if I read to your Lordships the judgment of Mr. Justice Roxburgh: “By Section 2 of the House of Commons (Redistribution of Seats) Act, 1949, hereinafter called the Act, it is provided that, ‘Each Boundary Commission’—and we are here concerned with the English Boundary Commission—shall keep under review the representation in the House of Commons of the Part of the United Kingdom with which they are concerned—that is to say, England—and shall, in accordance with the next following subsection, submit to the Secretary of State reports with respect to the whole of that part of the United Kingdom, either (a) showing the constituencies into which they recommend that it should be divided in order—and these are very important words—to give effect to the rules set out in the Second Schedule to this Act; or (b)—and this did not happen—stating that, in the opinion of the Commission, no alteration is required.’ Subsection (5) provides: ‘As soon as may be after a Boundary Commission have submitted a report to the Secretary of State under this Act—and these are three important words—he shall lay the report before Parliament together, except in a case where the report states that no alteration is required to be made in respect of the part of the United Kingdom with which the Commission are concerned, with the draft of an Order in Council for giving effect, whether with or without modifications, to the recommendations contained in the report.’ Subsection (4) of Section 3 is: ‘If any such draft is approved by resolution of each House of Parliament, the Secretary of State shall submit it to His Majesty in Council’—this was 1949—and Subsection (7) of Section 3 is: ‘The validity of any Order in Council purporting to be made under this Act and reciting that a draft thereof has been approved by resolution of each House of Parliament shall not be called in question in any legal proceedings whatsoever.’ Now it would be a work of supererogation to mention that the Boundary Commission has reported, that the Secretary of State did lay the draft of an Order in Council before Parliament, and that it has been approved by resolution of each House of Parliament. If, therefore, it is a draft which complies with the requisites of the Act it is the duty of the Secretary to submit it to Her Majesty, and if he does, and if Her Majesty makes an Order in the terms of the draft then it cannot be called in question in any legal proceedings whatever.” May I say there, there is no suggestion here that the draft did not comply with the requisites of the Act.

The Master of the Rolls: Is there not?

Lord Justice Jenkins: It has been suggested by the Plaintiffs, but you can say with force that is not the question. The question is whether this is a report emanating from the Commission, made pursuant to the functions of the Commission under the Act.

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The Attorney-General: I was really trying to shorten it, to deal with the point.

The Master of the Rolls: It certainly has been said that the report did not comply with the requisites of the Act in so far as it is alleged that the Commission has misapprehended their duty.

The Attorney-General: That has been said, but the Act does require special requirements in relation to a draft order; one of them was that it had to recite the resolution of each House of Parliament.

The Master of the Rolls: I do not suppose anybody has suggested it has gone wrong on that.

The Attorney-General: I was dealing with it to get that out of the way.

The Master of the Rolls: Those things are always done for the Commissioners by their Secretary.

Lord Justice Jenkins: On the way the learned Judge expressed himself here, the Home Secretary every time this happens would have to go and get the opinion of Counsel or issue an originating summons as to whether this was a report under which he could proceed under the Act. It would be a very good thing for the Chancery Division but . . . .

The Attorney-General: It would hold up Government business: "I from that derive certain general conclusions. One is that it was contemplated that this procedure would be subject to the jurisdiction of the Courts until Her Majesty had made an Order in Council"— in my submission there is no ground for that conclusion—"Nobody doubts that Parliament is supreme, and that Parliament can repeal or enact any law, but it can only do that by passing an enactment. This is a species of delegated legislation, and I think it appears from the form of the Act itself that it was intended that the Courts should intervene in a proper case up to the time when Her Majesty made an Order in Council." In my submission, as I have said to your Lordships, if it is a species of delegated legislation, that is the highest category of that species, and there is nothing which in my submission from the form of the Act warrants the conclusion that the Courts should have power to intervene.

"Secondly, it appears to me that the Secretary of State, if and when he submits a draft Order to Her Majesty in Council, is not doing it in his general capacity as Secretary of State, but is doing it as a person to whom the duty of doing so is expressly delegated by the provisions of this Act which contains the machinery which is to be used."

The Master of the Rolls: With all respect, I do not think I quite follow that.

The Attorney-General: I think it is meant to mean that he is not when he is charged by the Act.

The Master of the Rolls: Of course the Secretary of State is the delegated person to do this particular thing. It does not follow therefore that he is not doing it in his capacity as Secretary of State.

The Attorney-General: I do not think it does follow. The Secretary of State for the time being is charged by Parliament to do it as part of the duties of his office. The learned Judge goes on: "I do not as at present advised think that the Crown Proceedings Act has any bearing on the present case. If I am wrong in this conclusion I hope to be excused in the light of the fact that it is now 5·40 p.m., and in the light of certain other facts to which I
shall shortly be referring. Now it seems to me that there is not the least doubt that the Secretary of State is not entitled under this Act to do anything unless and until the Boundary Commission have submitted a report to the Secretary of State under this Act, and I do not think that that empowers them to submit any sort of report that they feel inclined to submit. I think that that means a report at which they have arrived in compliance with the duty entrusted to them by this Act, and that was to give effect to the rules set out in the second schedule of the Act, and it would seem to me that if anybody had intervened (in the manner in which the publication of these things was made early intervention would have been extraordinarily difficult) at a very early stage it might have been possible to prevent the Secretary of State from ever laying the report before Parliament.” That was perhaps one of the matters that Mr. Justice Harman considered, a judgment that was not read to Mr. Justice Roxburgh. “However, that is a thing of the past, and whatever may be thought of my judgment I no longer feel that I am in any danger of running into conflict with Parliamentary privilege, and that at least has somewhat eased my mind. Nobody, of course, would contend that a resolution of each House of Parliament could of itself amount to an enactment, and therefore it cannot be said that the fact that each House of Parliament has approved the draft in question gives it legislative effect. It is but one step in the machinery which is necessary to give it legislative effect. Now, in Section 3, Subsection (4), the words ‘if any such draft’ refer back to the draft which is to give effect to the recommendations of a report made ‘under this Act,’ and accordingly I arrive at the conclusion that if the report was not made under this Act then a draft of an Order to give effect to the report would not be a proper draft of an order within the meaning of Subsection (5) of Section 2.” My submission is that it is clearly the report of the Boundary Commission, and that is that.

The Master of the Rolls: May I put this point? I am not quite sure how far your proposition goes. Supposing the Commission said: there are far too many electors, so we will make it much easier by disfranchising everybody whose name begins with—let us take an obviously suitable one—B, and then they presented a report which, by that device, reduced the number by several hundred thousand, and the House of Commons was either indiscreet enough, or, if you like, inattentive enough, to pass resolutions. The Mr. B’s throughout the land would have no remedy at all, the thing was manifestly outside the scope

The Attorney-General: That is assuming, if I may say so to your Lordship, a very great deal.

The Master of the Rolls: I quite agree.

The Attorney-General: That is assuming a great deal of inadvertence on the part of Parliament.

The Master of the Rolls: Do you go the length of saying that so long as the thing bore on the outside of it “the Report” and two Houses of Parliament proceeded to swallow it and resolve, that is an end of the matter when the thing is demonstrably wrong, so it is not a report at all.

The Attorney-General: I say it is not for this Court to say it is not a report at all, once the report has been presented to the Secretary of State as this one was by the Boundary Commission as Paragraph 1 says, once it is laid before the House of Commons, this is the Report of the Boundary Commission, be it good or be it bad or be it indifferent, it is then for the House of Commons and the House of Lords to have regard to their recommendations, which no doubt will always be carefully studied. That
being so, it is a matter for Parliament, and if Parliament has approved by resolutions some of the recommendations with or without modifications—it is quite clear they can be accepted or rejected—then in my submission assuming errors either by the Boundary Commission or by Parliament, once the resolutions are passed, it is equivalent to passing an Act of Parliament.

The Master of the Rolls: I feel a little more cautious, in saying no such case ever so far has been established, let it be supposed there is a doubt as to the exact inferences of some of these paragraphs, in considering whether the Courts have exercised a special remedy of *ex parte* injunction directed at an administrative action, it would at least need a very clear case to show something had gone wrong or there was a real danger of a manifest injustice, bearing in mind we are not doing more than dealing with an *ex parte* application.

The Attorney-General: I am putting my case higher than that, and I do adhere to the level at which I put it.

Lord Justice Jenkins: You could go as far as to say it is enough for your purpose to say any report laid before Parliament purporting to be the report of the Boundary Commission, purporting to deal with the redistribution of seats and not dealing with the disenfranchising of electors—you could put it as wide as that—saying it is beyond the power of the Courts to question it, and other machinery has been provided.

The Attorney-General: Yes, forgetting about the report, where an Act of Parliament has said an Order in Council may be made in the terms of a draft resolution, after the draft has been approved by resolution of the House of Commons, once you have that resolution the Courts have no right then to intervene. Leaving on one side the question of a report, the constitutional position is just the same as where you have a Bill which has received its third reading and is only awaiting the Royal Assent. The Courts cannot in my submission possibly intervene then by injunction or by mandamus to prevent that Royal Assent being given. So here where you have the machinery that the Draft Order in Council containing what the House wishes to have given the effect of law is approved by both Houses of Parliament, showing, just like in relation to a Bill when it has passed its third reading that they desire that Bill to be made law, you cannot intervene after that, the Courts cannot intervene by injunction to prevent the Royal approval being given in Council.

Lord Justice Jenkins: Certainly this proposition would stand to enable the Court to interfere with any projected Order in Council between the time when it had been approved by the two Houses and the time it was presented to Her Majesty.

The Attorney-General: One would only have to come along and ask for an *ex parte* injunction.

Lord Justice Jenkins: Any case in which anyone could be found who alleged it did not accord with the enactment under which it was made.

The Attorney-General: Yes.

Lord Justice Jenkins: It might be possible to raise an argument of that sort in a very large proportion of cases.

The Attorney-General: It might well; sometimes you get Acts saying that you can follow this procedure of approval of Draft Order in Council without any requirement of a report being laid before Parliament. One has got to
consider when one is considering jurisdiction, the position if there was not any requirement of the Report being laid before Parliament.

Lord Justice Jenkins: Then when the Minister was charged with the administration of the provisions of an Act where he has to lay regulations on the table for so long, I suppose the dissatisfied person could get an Order on him to take it off the table before it had been there for the appropriate time, to withdraw it.

The Attorney-General: He might get an Order on an ex parte injunction to restrain him from laying them so that Parliament could not get an opportunity to express a view upon them. What has happened, is, that the injunction has been granted to prevent the Home Secretary submitting the draft Order in Council to Her Majesty in Council for Her Majesty's approval or otherwise.

The Master of the Rolls: Her Majesty may call for a report. I do not mean there not being an injunction, but supposing he failed to present it, has the Crown the power to say, "Where is the report?"

The Attorney-General: I would have said yes.

The Master of the Rolls: No court would grant an injunction against Her Majesty.

The Attorney-General: Entirely so, and, of course, the Minister who failed to comply with an obligation of this kind imposed upon him by Act of Parliament would be subject to a great deal of questioning in the House of Commons, quite apart from the possibility that a report would be called for, and, as I said earlier on, this ex parte injunction places the Secretary of State for the Home Department in a dilemma, either he is to postpone complying with the statutory obligation, or, if he does comply, he presumably will be guilty of contempt of court.

Then going on at the top of page 5 the learned Judge says: "Therefore, it would not be a draft which it was proper for the Secretary of State to lay before Her Majesty in Council"

The Master of the Rolls: This is the kernel of the decision.

The Attorney-General: Yes. "Therefore, it would not be a draft which it was proper for the Secretary of State to lay before Her Majesty in Council under Section 3, Subsection (4), and that this conclusion could not be affected by the fact that it had been approved by resolutions of both Houses because, as I said, that per se could not be substituted for passing enactments." In my submission, it really is not for the courts to decide in what manner the Secretary of State is to perform the duty laid upon him by the Act.

The Master of the Rolls: The learned Judge is in effect saying that the Statute only directs him to present that which has certain characteristics.

The Attorney-General: All the Act says is that, if the draft has been approved by resolutions of both Houses, he shall submit it. It does not refer back to the report.

The Master of the Rolls: No; I am not saying it is right.

The Attorney-General: That is what the learned Judge said.

The Master of the Rolls: Sir Andrew consented to that. If the Commission presented a blank sheet of paper with humorous drawings on calling it a report, they could not approve that.
The Attorney-General: It would be very difficult if it was in that form to draft an Order in Council embodying those recommendations with or without modification.

Then the learned Judge went on: “Therefore, the next question to consider is whether or not the Report did give effect to the rules set out in the Second Schedule to the Act. There is certainly a *prima facie* case that it did not.” I challenge that.

“I need not at this late hour read all the rules, but the dominant consideration is the electoral quota.” In my submission, the learned Judge was clearly wrong on that.

“The method of ascertainment of that is indicated in Paragraph 7 of the Second Schedule, and if those instructions are carried out a figure of 55,670 is arrived at. The next thing which they had to do, as I understand it, was to divide the total electorate of Great Britain (and ‘Great Britain’ means England, Scotland and Wales but not Northern Ireland for this purpose)”

The Master of the Rolls: That is wrong in fact, is it not? That is the figure you should have after the constituency has been increased to 511.

The Attorney-General: No, that is right, 55,670. It is the figure in paragraph 10 of the Report.

The Master of the Rolls: I know it is, but that is arrived at, I thought, after the number had been increased to 511, and the real correct figure for this purpose is 57,122; but that does not matter.

The Attorney-General: I do not think that that is right. The process surely is this.

The Master of the Rolls: My brother seems to think I may be right.

The Attorney-General: The electoral quota I think is based on taking the total number . . .

Lord Justice Jenkins: There is no doubt about what the 55,670 is. That figure I thought was arrived at by dividing the English electorate not by 506 but by 511.

The Attorney-General: No. The 55,670 is, in my submission, clearly dividing the electorate for Great Britain . . .

The Master of the Rolls: Let us not delay; but if you add up the number of constituencies in the table, I am fairly sure you will arrive at a figure of 511.

The Attorney-General: Yes, my Lord.

The Master of the Rolls: And I thought that when saying 410, or more than 80 per cent. of the whole, that is, of the 511, all within the ranges of the electoral quota, that is how that is got at, otherwise I do not see how it differs from the other figure.

The Attorney-General: It is the definition in Paragraph 7(a): “the expression ‘electoral quota’ means (i) in the application of these rules to a constituency in Great Britain, a number obtained by the electorate for Great Britain by the number of constituencies in Great Britain existing on the enumeration date.” So that the number of the electoral quota is arrived at by dividing the electorate of Great Britain by the total number, 613. I just wanted to clear that up.

He goes on: “If that calculation is carried out, the resultant figure is 626, and if you then deduct the seats required for Scotland and Wales you
get a result of 519 seats for England.” That would be the position. I accept that on the electoral quota.

“"It is perfectly true that there is an overriding provision in Rule 1 that the allocation of seats to Great Britain, excluding Northern Ireland, was not to be substantially greater or less than 613, but I think that it would be difficult to say that 626 was substantially greater or less than 613” . . . .

The Master of the Rolls: I do not know. If you were doing the sum and the right answer was 613 and you produced 626, would you be told that you were substantially wrong?

The Attorney-General: I should have thought so. Of course, in my submission it was not a matter for his Lordship to express an opinion upon at all. It is for the Boundary Commission in the first place.

"and therefore it would appear to me that the Boundary Commission ought to have approached the problem in accordance with the rules along those lines and then, of course, applied the geographical considerations and other considerations referred to in the rules which I do not at this late hour propose to investigate. It is quite plain from a reading of the Report that they did not approach the problem along those lines but along the different lines which are there stated. Therefore, I reach the prima facie conclusion that the Report was not a report made to give effect to the rules set out in the Second Schedule to the Act and therefore not a report under the Act, and, therefore, not one in respect of which the draft of an Order could properly be laid before Parliament and that, accordingly the draft is not such a draft as under subsection (4) of Section 3 can properly be laid before Her Majesty.

“I have been much vexed to know what course I ought to take in these difficult circumstances. The motion was opened this morning ex parte. Realising the difficulty of what course I ought to take in a matter of this great importance, I gave special leave to serve Notice of Motion upon the Secretary of State for the Home Department returnable at 2:05 o’clock this afternoon. The Solicitor-General most courteously appeared, and I must say that I hoped that an offer would be made that this Order should not be laid before Her Majesty until, without undue and unreasonable effort, the Court had been able to give the matter full and proper consideration on a motion inter partes. I do not think there is anybody who could say that there is not a case to be tried here.” I do so unhesitatingly.

“I can well see that other people may take a different view from mine. That is not the point. I do not think anybody could say that there is not a case to be tried. Parliament, in its wisdom, in this Act has thought fit to say that nothing can be done by anybody in any Court of Law after the Order in Council has been made. Therefore, for the plaintiffs, it is now or never.

“What is the position on the other side? Apparently, it will cause some inconvenience if the holding of the Privy Council at which the Order should be submitted is postponed to a day later than next Tuesday.” I should like to say that that I understand was the arrangement, that one feels certain that Her Majesty would if necessary summon a later meeting of the Privy Council, and I have not based the urgency of this case upon that as a main consideration.

“The Solicitor-General offered to postpone the submitting of the Order until Monday. Monday is not a motion day. That would have meant nothing to me if I had not already got a heavy list of out-of-turn fixtures in Chambers, some of which are part-heard. I explained that I should be very willing to hear this case on Tuesday and to continue it until it was concluded, but the Solicitor-General did not feel able to agree to that solution. Accordingly, I
was faced with this: anybody is entitled to come to the Court for *ex parte* application and as far as I know it is the duty of the Judge to go on sitting until he has disposed of it, and that is why I am here at a quarter to six and have done so, and if I have not given full weight to every possible consideration I trust that everybody will appreciate the circumstances that I have just fully elaborated: for the plaintiffs it is now or never; for the defendants it seems to be a matter of making an appointment for a further session of the Privy Council. What ought I to do in those circumstances?

"There is another thing I want to say. Looked at from one point of view this may be a very small matter. It may be said: 'What can it really matter to Mr. A (I am not speaking personally of anyone concerned in this case) whether he votes in one constituency or in another?' But, on the other hand, the Parliamentary vote is a right of property and one very jealously guarded by British subjects and the loss of it or the transference of it is a matter which is quite impossible of estimation in money. It does not sound in that sort of consideration at all.

"On balance it seems to me that the plaintiffs ought not to be put in the position that they will be out of Court altogether until the case which they have to be tried and which they want to have tried has been tried. I do not for a moment suggest that it has yet been tried. These are only my preliminary ruminations on a most interesting theme, and accordingly I propose to grant an interim injunction against the Secretary of State to restrain him from presenting to Her Majesty until the time when I can hear the motion any draft Order"—I do not think I need read the rest. That is purely formal.

As I submit, there is nothing in the report to warrant the conclusion that there is even a *prima facie* case that the Commission acted wrongly and in disregard of the rules in the Second Schedule. Indeed, on the other hand, consideration of the report indicates quite clearly that they had regard to the rules and regard to the electoral quota, and, in my submission, correctly interpreted them. Therefore, in my submission, there is no ground whatsoever for this injunction. As I say, even if there was an error by the Boundary Commission, it would not in my submission at this stage be a matter for the Courts, and I ask your Lordships to consider quite shortly, if I may, the position apart from the Crown Proceedings Act of 1947, and also the effect of the Crown Proceedings Act.

In that connection I think I must trouble your Lordships with one case. *The Queen v. The Lords Commissioners of the Treasury*, reported in 1872 Law Reports, 7 Queen's Bench Cases, at page 387. That was an attempt to mandamus the Lords Commissioners of the Treasury to do something which they had clearly power to do. It was held that mandamus would not lie in respect of a duty owed to the Crown, as, indeed, in my submission, the duty of the Home Secretary here under this Act was a duty owed to the Crown and not to any individual elector, and I would emphasise that point. In my submission, this Section 3 of the Boundary Commission Act did not impose a duty on the Secretary of State for the Home Department towards any individual elector.

(Passages from the judgment were then referred to)

May I read the head-note of this case, if your Lordships have it: "By 29 and 30 Victoria chapter 89, section 14, when any sum of money shall have been granted to Her Majesty by Act of Parliament to defray expenses for any specified public services, it shall be lawful for Her Majesty from time to time, by order under the sign-manual, countersigned by the Treasury.
to authorise and require the Treasury to issue out of the credits granted to them the sums which may be required to defray such expenses not exceeding the amount of the sums granted.

"By the Annual Appropriation Acts, out of the sums granted to Her Majesty for the service of each year, a certain sum is applied to defray the charges 'for prosecutions at assizes and quarter sessions, in England, formerly paid out of county rates.'

"In the half year ending the 31st of December, 1870, certain prosecutions took place at the assizes and quarter sessions of the county of L., and the costs were taxed by the proper officers under the orders of the respective Courts, and the treasurer of the county paid the bills, and returned the bills, with the usual vouchers, to the Treasury. The Lords of the Treasury had appointed certain officers called the Examiners of Criminal Law Accounts, and these officers disallowed or reduced in amount fifty-one of the items in the bills returned; and a rule nisi was then obtained for a mandamus to the Lords of the Treasury, commanding them to issue a Treasury minute authorising the paymaster of civil contingencies to pay to the treasurer of the county of L., the sums disallowed:—

"Held, that a mandamus would not lie, inasmuch as the Lords of the Treasury received the money, which was granted to Her Majesty, as servants of the Crown, and no duty was imposed upon them as between them and the persons to whom the money was payable. Held, also, that the course which the Lords of the Treasury had pursued, was erroneous, as they had no authority whatever to have the bills retaxed, and ought to have paid over to the treasurer of the county the full sum which he had expended as costs of prosecutions."

If I may turn to the judgment of Lord Justice Cockburn, at the top of page 394 he said: "It is another thing, however, whether we have jurisdiction to interfere in such a matter. And it does not follow that because there is no remedy for the county or borough who have paid all the costs as originally taxed, except that of applying by petition to the Crown, or by petition to Parliament, it is not because there is no other remedy but that which may be a fruitless and abortive one, that this Court has jurisdiction to issue a writ of mandamus. I take it, with reference to that jurisdiction, we must start with this unquestionable principle, that when a duty has to be performed (if I may use that expression) by the Crown, this Court cannot claim even in appearance to have any power to command the Crown; the thing is out of the question. Over the sovereign we can have no power. In like manner when the parties are acting as servants of the Crown, and are amenable to the Crown, whose servants they are, they are not amenable to us in the exercise of our prerogative jurisdiction."

Then, my Lords, there is also a further passage on page 395, three lines from the top—Perhaps I ought to start at the bottom of page 394: "But, nevertheless, when the money is paid. I can entertain no doubt that it is paid to the Lords of the Treasury, as servants of the Crown; and though I quite agree that according to the Appropriation Act they were bound to apply the money upon the vouchers being produced, and had no authority to retax these bills, still I cannot say that there is any duty which makes it incumbent upon them to do what I cannot hesitate to say they ought to have done, except as servants of the Crown: because in that character they have received this money, and in no other."

A little lower down the page, in the next paragraph, your Lordships will see it says: "Then with regard to the statute (29 and 30 Victoria, Chapter 39, Section 14), to which Mr. Gorst ingeniously called our attention with a view of fortifying the case for the applicants, I cannot see anything in that
statute which imposes a duty at law upon the Lords Commissioners of the Treasury. It may be a duty that they owe to the Crown, or it may be a duty that they owe to Parliament to apply this money in discharge of the amounts which the counties are compelled without any choice on their part to pay; but it is a duty to the Queen or a duty to Parliament, and it is not a duty at law which by any legal proceeding or by the exercise of the prerogative jurisdiction of this Court we can enforce.”

Mr. Justice Blackburn dealt with it a little differently, on a different ground, but came to the same conclusion in a passage on page 397. “Passing from that, the question remains whether there is any statutable obligation case upon the Lords of the Treasury to do what we are asked to compel them to do by mandamus, namely, to issue a minute to pay that money: because it seems to me clear that we ought to grant a mandamus if there is such a statutory obligation, particularly where the application is made on behalf of persons who have a direct interest in the matter, namely, the treasurer of the county on behalf of the county which ought by the statute to have been indemnified for the costs which they have been obliged to pay. But it is here, I think, that the case fails. The general principle, not merely applicable to mandamus but running through all the law, is, that where an obligation is cast upon the principal and not upon the servant, we cannot enforce it against the servant as long as he is merely acting as servant.”

He applies that principle, as your Lordships will see, a little lower down in the same paragraph, in the sentence beginning: “The same principle applies to mandamus, if the duty is by statute, though perhaps ‘duty’ is hardly the word to employ with regard to Her Majesty; where the intention of the legislature shows that Her Majesty should be advised to do a thing, and where the obligation, if I may use the word, is cast upon the servants of Her Majesty so to advise, we cannot enforce that obligation against the servants by mandamus merely because the sovereign happens to be the principal.”

Then, my Lords, it is to the same effect at the bottom of page 399, just after the reference to the Statute. He says: “but I am unable to see that the sections amount to anything more than, that Her Majesty, to whom the money was granted in law, is to administer it according to the advice of her responsible advisers, and she must do it through the hands of her servants. I have found nothing, looking at the sections adverted to, to make the Lords of the Treasury (who have the money in their hands brought from the Bank of England until it is paid to the recipients) in any way more amenable to third persons than in the case I put during the argument of a private person’s servant who has got money to pay weekly bills or other matters, or power to draw upon a bank for that purpose, in which case the servant could not be considered liable to third persons.”

The Master of the Rolls: I am not quite sure for my part whether I am getting much assistance from this case. I will tell you why, right or wrong. In this case what you told us was that the county palatine of Lancaster, who paid out the funds was entitled in some way to call upon the Treasury in performance of their duty to them, the county palatine, to repay them, and they said No, there was no duty except to administer as servants of the Crown the sums under the appropriate Act in their case. Here what is said by the plaintiff is: We have had a proprietary right or rights, namely, a franchise, or are likely to have, that are affected in a way which we dislike as individuals, and we say that it is not a case here of there being a complete discretion in the hands of the Secretary of State; we say, right or wrong, that he can only present to Her Majesty a report of a certain character, and the Court cannot do something to dispute our individual rights.
The Attorney-General: The answer is this. They are not losing their franchise. They are merely having it exercisable in another constituency; that is all. They are not being deprived of their right to a franchise.

The Master of the Rolls: No; but a personal right of property of theirs is to be affected. They say that that is so, and are entitled to say it.

The Attorney-General: Why I am citing this case to your Lordships is because I submit the Act which one has to look at casts no duty on the Secretary of State towards individual electors. I submit that the duty cast on him in that statute is a duty in his official capacity as a servant of the Crown, and I am citing this authority in support of the proposition that, where a Minister is acting as a servant of the Crown in the performance of a duty owed to the Crown, neither mandamus nor injunction will lie. Differently, of course, where there is a duty imposed upon him by a statute in relation to members of the public. When one looks at this Statute, it is not a duty imposed upon him in relation to members of the public. He has no discretion in the matter. He is compelled by Parliament to submit the report, and he is being restrained from doing that which Parliament by Act of Parliament has enjoined him to do.

I did not intend to read much more. I think that is emphasised perhaps just in a short passage by Mr. Justice Lush on page 402, where he says: "I also am of opinion that this rule must be discharged. I think that the applicants have failed to make out that which is essential to entitle them to a writ of mandamus, namely, that there is a legal duty imposed upon the Lords of the Treasury—a duty as between them and the applicants—to pay over this sum of money."

The Master of the Rolls: I am troubled with this, because sometimes in these cases, where the particular Minister concerned under the Defence Regulations and so on is acting in his capacity as a Minister, he is not free from possible restraint by the Courts, is he?

The Attorney-General: I am not suggesting that, where the statutory obligation is of the ordinary kind which implies a duty upon him in relation to individual members of the public: but here the statutory obligation is of a very special kind. He is merely to act, if I may say so with great respect, as a conduit pipe. Once the resolution has been passed, he is the person to take it and lay it before Her Majesty. Once the Bill has received the Royal Assent, someone is charged with the duty of taking it presumably to Her Majesty to receive the Royal Assent. That is the only function of the Home Secretary in relation to these draft orders, once they are approved by resolution. Prior to 1949, in my submission, an action would not lie against a Minister of the Crown for an act done by him in purported exercise of the statutory authority. You could not sue a Minister of the Crown before 1949.

In support of that proposition, I would just refer your Lordships to the case of Hutton and Others v. Secretary of State for War, which is reported in 1926, 43 Times Law Reports, at page 106. The head-note is very short: "An action will not lie against a Crown Official, as such, for a wrong done in purported exercise of a statutory authority."

This was about notice to treat, and I think the facts as set out in the last paragraph on that page apply: "The facts in this case were that notice to treat had been given in October, 1925, and there had been a failure to agree. But it was not till March 1926, that the plaintiffs became aware that in August, 1925, a certificate had been obtained under section 23 of the Act of 1842. Their case was that the tribunal mentioned in section 23 had a quasi-judicial function, and that, the section having been inserted for the
protection of the landowners, they were entitled to be heard before a certificate was granted.”

I do not think I need read any more of that, but then your Lordships will see that the Attorney-General of the day said that “he desired to take the preliminary point that an action against the Secretary of State for War, as such, would not lie. The only remedy was by petition of right unless the existing Secretary of State had acted wrongfully, and then he could be sued personally, but not as Secretary of State.”

I need not read through the rest of his argument. Your Lordships will see the point. Then Mr. Justice Tomlin giving judgment said: “this was a motion for certain injunctions in an action in which the plaintiffs were the tenants for life and trustees of certain estates in Yorkshire and the defendant was His Majesty’s Secretary of State for the War Department, sued as such. His Lordship then stated the facts, and, continuing said that, in order to give interim relief of the kind asked for, it would be necessary for the Court to be satisfied that the plaintiffs had made out a prima facie case. But, apart altogether from the merits of the case, he had to consider the preliminary point raised by the Attorney-General, and only if he was satisfied that the preliminary point was not well founded should he be justified in granting any relief on this application: for the preliminary point, if well founded, struck at the whole basis of the action.

“The preliminary objection was that there was no right at all to sue the Secretary of State in his official capacity. First, it was said by the Attorney-General, and, indeed, not disputed by Mr. Schiller, that an action against the Crown would not lie. There were methods by which relief might be obtained against the Crown but not by an action. Secondly, it was said by the Attorney-General that an officer of the Crown could not be sued as such, and, in support of that, reference has been made to Raleigh v. Goschen (14 the Times Law Reports, page 36; (1898) 1 Chancery, page 73). The judgment in that case seemed to make it perfectly clear that an officer of the Crown could not be sued as such, although he might be sued as an individual for any wrongful act proved to have been done or authorised by him. In the latter case, it was no answer to say that the act was done by virtue of his authority as a Crown official, if, in fact, the act was wrongful.

“Mr. Schiller had, however, sought to draw a distinction based on a passage in the judgment in Nireaha Tamaki v. Baker (17 the Times Law Reports, page 496; (1901) Appeal Cases, page 561, at page 576). The plaintiffs contention really received no support from the passage referred to when it was read in its context. What Lord Davey was really saying was that in a case where an official was sued as an individual for a wrongful act it was no defence to say that the wrongful act was done by him as an officer of the Crown. The argument that an action would lie against a Crown official, as such, when a wrong had been done which purported to be an exercise of a statutory authority, entirely failed. It was sufficient for the present purposes for him to say that, prima facie, this action would not lie, and, that being so, the application must be refused.”

Here again, my Lords, I do not think I need refer your Lordships to the case of Raleigh v. Goschen, but here again I say that prior to 1947 an action of this kind would certainly not lie against the Secretary of State for the Home Department. The Crown Proceedings Act of 1947 has not made such an action lie.

If I might now turn to that, I have it in volume 6 of Halsbury’s Statutes, page 59. It is Section 17 of the Crown Proceedings Act, 1947: “The Treasury shall publish a list specifying the several Government departments which are authorised departments for the purposes of this Act and the name and address for service of the person who is, or is acting for the purposes of
this Act as, the solicitor for each such department, that may from time to time
amend or vary the said list.” My Lords, the list is exhibited on page 3642
of the White Book, and, so far as the Home Office is concerned, it is specified
as the Home Office, not as the Secretary of State for the Home Department.

Sir Andrew Clark: I do not know if it is any help if I say at once
that I am not suggesting for a moment that these proceedings are brought
under the Crown Proceedings Act. My whole argument before Mr. Justice
Roxburgh was that they were entirely outside that Act and had nothing
whatever to do with it.

The Master of the Rolls: Do you say it is a tortious act?

Sir Andrew Clark: I say it is a breach of a statutory duty by a person
eo nomine and not relying on the statute.

The Attorney-General: I want to refer your Lordship shortly to Section
21. Subsection (3) of Section 17 says: “Civil proceedings against the Crown
shall be instituted against the appropriate authorised Government department,
or, if none of the authorised Government departments is appropriate or the
person instituting the proceedings has any reasonable doubt whether any and
so which of those departments is appropriate, against the Attorney-
General”. Now may I turn to Section 21.

The Master of the Rolls: The strength of your case may be, may it not,
in view of what Sir Andrew says, what is the alleged breach of duty to the
plaintiff?

The Attorney-General: There again. Section 21 (2), to which I will refer
your Lordship, says: “The court shall not in any civil proceedings grant
any injunction or make any order against an officer of the Crown if the effect
of granting the injunction or making the order would be to give any relief
against the Crown which could not have been obtained in proceedings against
the Crown”. That, in my submission, is a complete bar, if there was no
other bar.

“Officer of the Crown” is defined in Section 38 of the Act as including
a Minister of the Crown. It is on page 72. It includes “any servant of His
Majesty, and accordingly (but without prejudice to the generality of the fore­
going provision) includes a Minister of the Crown.” So Subsection (2) of
Section 21 prohibits in any civil proceedings the court from granting an
injunction against a Minister of the Crown if the effect of granting the
injunction or making the order would be to give any relief against the Crown
which could not have been obtained in proceedings against the Crown.

The Master of the Rolls: Does that mean proceedings against the Crown
either by petition or under this Act?

The Attorney-General: In my submission, yes. Here, of course, as I
said earlier on, although the injunction is directed to the Home Secretary, the
effect of it is to prevent Her Majesty in Council considering whether or not to
approve the Order in Council; but Subsection (2) does also, in my submission,
relate back to Subsection (1) of Section 21: “In any civil proceedings by or
against the Crown the court shall, subject to the provisions of this Act, have
power to make all such orders as it has power to make in proceedings between
subjects, and otherwise to give such appropriate relief as the case may
require: Provided that: (a) where in any proceedings against the Crown any
such relief is sought as might in proceedings between subjects be granted by
way of injunction or specific performance, the court shall not grant an
injunction or make an order for specific performance, but may in lieu thereof make an order declaratory of the rights of the parties.”

So, in my submission, these are really in form proceedings against an officer of the Crown, the Secretary of State for the Home Department, to obtain relief against the Crown, and Section 21 (1) (a) does provide that, if the proceedings were against the Crown, relief by way of injunction, which is sought here, could not be granted, nor, indeed, could a declaration.

In support of that is a decision in the case of Underhill v. The Ministry of Food, reported in 1950, 1 All England Reports, at page 591. I do not think I need cite that to your Lordships, unless my friend challenges that proposition.

Before I conclude my argument, I thought I perhaps ought to refer your Lordships to the judgment of Mr. Justice Harman.

The Master of the Rolls: Yes.

The Attorney-General: “The object of this Motion is to remedy a grievance felt, it would appear, by the Corporations of the Metropolitan Boroughs of Hammersmith and of Fulham and of certain ratepayers in those Boroughs as to a Report presented to the Home Secretary by the Boundary Commission for England set up under the House of Commons (Redistribution of Seats) Act, 1949. The grievance is that if the recommendations of the Report be acted upon and become law, a part will be taken from the Borough of Fulham, another part from the Borough of Hammersmith, and they will find themselves forcibly married under the name of the Constituency of Barons Court, not a borough, but called, for some reason which I do not understand, a borough constituency. It is said that that is a grievance affecting both the boroughs from which parts will be hacked off, and this Motion is therefore lodged because it appears that Resolutions to approve of this part of the Report are likely to be a matter of debate in the Commons House in the course of the present week, and the scheme of the Act is that if the Report or the Recommendations in the Report are approved by Resolutions of both Houses, then it only needs the assent of Her Majesty in Council to make them, without more, part of the law. What I am asked to do is to order the Boundary Commission or its members or some of them to intimate to the Home Secretary that their Report is a nullity, because, so it is said, they have not observed the rules prescribed for them in making that Report.”

Then the learned Judge there dealt with the allegations, but expressed no view upon them. The allegations were really the same as here, that the report was not a report of the Boundary Commission because it was said that the Boundary Commission had not applied the electoral quota. He expressed no view on that, and I think one can turn really straight away to page 6: “Now, in what am I to interfere? I am to enjoin upon the members of the Commission that they should inform the Home Secretary that they have acted in a way that is ultra vires? Well, supposing they did so inform him, he would not be bound, as far as I can see, to take any notice of their rather tardy repentance, and I am not convinced that it would have any effect on his mind if they did come before him, whether in sackcloth and ashes or no, and say: ‘We are afraid we have misread the rules, because a Chancery Judge has told us so.’ Their recommendations have been made; having sent in their Report, they have done their part of the task.

“It is said that if they have done it wrong, then their task is not complete; but I do not think that is right. In my judgment, if they have done it wrong, it merely means that they have made a mistake which the Home Secretary, no doubt, if he becomes aware of it may recommend the House to rectify,
or it may make the House itself to say: 'The Boundary Commission has missed the target; we will not accept its recommendation'—which, of course, the House is free to do.

"Where is there room for the intervention of the Court in an Act framed in this way? I do not find it. It is not the scheme of this Act that the recommendations of the Commission should be subject to review by the Court while they are in the process of what I might call gestation. Parliament can do anything. In this Act it has provided itself with a staff to lean upon in the form of the Boundary Commission, so that, instead of having itself to consider these matters at first hand, it has a report upon which it can act, either by accepting it or rejecting it; and it does not seem to me that it is for the Courts at all to interfere, by injunction or advice or declaration or in any other way, with these recommendations. Even supposing it be right that the Commission has misused its function because it has misread the rules and that its Report is vitiated by that, it does not seem to me that it is for the Court to interfere and say so. It is for Parliament to say if it so chooses. Parliament can, of course, overlook the omission if it likes, as it is omnipotent, and make the Resolution law even though the Commission was mistaken in the basis of its recommendations.

"Therefore in my judgment this is not a matter in which I ought to be asked to interfere or in which any good purpose would be served by my seeking to do so. I do not think questions of jurisdiction really need to be debated at this stage. I shall assume that I can, if necessary, express an opinion as to the proceedings of the Boundary Commission, without going beyond the functions of this Court, but I am satisfied that I should certainly serve no useful object by doing so, and that the machinery set up under this Act does not leave any room which makes it appropriate for the Court to intervene either at this or at any other stage.

"It is said that those aggrieved have no method of voicing their grievances. I do not accept that at all. They are represented in Parliament like other citizens, and they can there air their grievances if they so think fit, and I suppose they will have a hearing there like other aggrieved persons here. If there is justice in what they say, no doubt due weight will be given to it. At any rate, I do not propose to lend such weight as the judgment of this Court has to a debate of this kind which seems to me unsuited for judicial intervention. I therefore refuse the Motion." As I say, that was not read to Mr. Justice Roxburgh.

There is just one other case that I should mention, and that is the case of *The King v. Electricity Commissioners*, reported in 1924 1 King's Bench Division, page 171. There it was held that a writ of prohibition would lie against the Commissioners. They had not completed their scheme. They were holding an inquiry under the scheme, and, in the course of holding the inquiry, it became clear that they were acting wrongly, and the Court intervened. I think that appears quite clearly from the passage in Lord Justice Atkin's judgment, as he then was, at page 201. I can, if need be, refer your Lordships to it; but I think I can summarise it. So here I would say that if before the Boundary Commission reported it became apparent that they were clearly acting wrongly, it might be that this Court could intervene and issue a writ of prohibition; but that is not this case. The facts in this case are far removed from the facts there. Once they have reported and their report has been laid upon the table and the draft Orders have been approved by both Houses, in my submission this Court, and Mr. Justice Roxburgh, have no jurisdiction to intervene.

If I may say this in conclusion, here the proceedings are by two electors who object to voting in different constituencies. In my submission, they have no right to claim anything in these proceedings. My Lords, in my submission
the proceedings are clearly directed at the wrong person, namely, to an officer of the Crown; the proceedings are clearly wrong in seeking injunction to restrain the Secretary of State for the Home Department from doing that which the Act of Parliament requires him to do, wrong in being directed against him as Secretary of State, for, as such, he cannot be sued.

I submit that there was no error of the Boundary Commission, that there is no *prima facie* case, and, indeed, no ground for saying that this was not a proper report of the English Boundary Commission, that it was not a report submitted under the Act. Draft Orders were made and approved, and there is no right to interfere with them. As I submit, the Secretary of State had no option but to submit this draft Order to Her Majesty in Council.

My Lords, it is for those reasons, which I fear I have taken some time in putting before your Lordships, that I submit that these proceedings are really entirely misconceived, somewhat mischievous in their effect, and, indeed, if the view which I have been putting before your Lordships is right, in seeking to obtain an injunction in these matters, almost tantamount to an abuse of the process of the Court. It is for these reasons that I ask your Lordships to order that this injunction be discharged.

*The Master of the Rolls*: Thank you. We will adjourn until two o'clock.

**PART II**

*Sir Andrew Clark*: My Lords, really this application divides into three aspects of the case. The first aspect is the question of jurisdiction; the second aspect is the question of whether there are such errors in the Report as fundamentally to make it not a Report in accordance with the requirements of the Act; and the third aspect is: what is the plaintiffs' interest to bring the action? This being purely an *ex parte* injunction in my submission if I satisfy your Lordships that there is an arguable case on each of those heads it becomes a question merely of balance of convenience; I have not to satisfy your Lordships beyond all doubt. I merely have to satisfy your Lordships that this is a case which the plaintiffs ought not to be shut out from the opportunity of arguing. If your Lordships come to the conclusion, having heard it, that it is clear there is no jurisdiction, there is an end of this *ex parte* and it will be the end of the motion to-morrow because to-morrow Mr. Justice Roxburgh on the motion would be bound to follow your Lordships' decision if your Lordships came to the conclusion that there was no jurisdiction or that the Report in substance was a perfectly good Report and did not differ sufficiently to render anything that was done invalid.

On the first point of jurisdiction, I think it would be most convenient if I referred your Lordships first, before adducing any argument, to the authorities on which I rely because, in my submission, they make it reasonably clear without necessity for very much argument. The first case is the one which Mr. Attorney mentioned to your Lordships but did not read to your Lordships, *The King v. Electricity Commissioners*, reported in 1924 1 King's Bench Division, which although it was a decision on an action which was brought at an earlier stage in the proceedings, was a case in which the facts really were completely on all fours with the present case, and certainly what your Lordships said in your Lordships' Court is directly in point though it may be it is dicta and not direct decision. The case is remarkably similar.

If your Lordships would be so good as to look at page 171 I will read the headnote: "The Electricity Commissioners, a body established by Section 1 of the Electricity (Supply) Act, 1919, are empowered by that Act to constitute provisionally separate electricity districts and in certain
events to formulate schemes for effecting improvements in the existing organisation for the supply of electricity in any electricity district so constituted, and are directed to hold local inquiries upon the schemes. A scheme so formulated may provide for the incorporation of a joint electricity authority representative of authorised undertakers within the electricity district. By Section 6, Subsection (2) of the Act a scheme may provide for enabling the joint authority to delegate, with or without restriction, to committees of the authority any of the powers or duties of the authority. By Section 7, Subsection (1), the Commissioners may make an order giving effect to a scheme embodying the decisions they arrive at after holding a local inquiry, and present the order for confirmation by the Minister of Transport. By Section 7, Subsection (2), the order after confirmation is to be laid before each House of Parliament and is not to come into operation until approved, with or without modification, by a resolution passed by each House, and when so approved is to have effect as if enacted in the Act of 1919.

"The Commissioners constituted an electricity district and formulated a scheme providing for the incorporation of a joint electricity authority which purported to be representative of the authorized undertakers, both local authorities and electricity companies, in the district so constituted. The scheme provided that the joint authority should at its first meeting appoint two committees, namely a local authority committee and a company committee, and assigned to each of these committees definite and separate portions of the electricity district, and delegates separate powers and duties to each committee in respect of the portion assigned. The Commissioners began to hold a local inquiry with a view to making an order embodying the scheme.

"Certain companies affected by the scheme applied for writs of prohibition and certiorari on the ground that the scheme was *ultra vires* in so far as it compelled the joint authority to appoint the two committees and delegate to them powers and duties of the joint authority. Held—that the scheme was *ultra vires*, and that a writ of prohibition should issue prohibiting the Commissioners from proceeding with the further consideration of the scheme, notwithstanding that an order embodying the scheme could not come into operation until confirmed by the Minister of Transport and approved by resolutions of the Houses of Parliament," and two cases were referred to.

I can take your Lordships to the Judgment of Lord Justice Bankes, and the material part begins on Page 189 at the foot: "The important part of the appeal has reference to the jurisdiction of the Court to make any order either for prohibition or certiorari. The first objection taken was that any application was premature, the matter being still only in its opening stage. The Commissioners, it was said, have decided nothing, they have merely published the scheme preparatory to holding the local inquiry thereon which they are directed by Section 5, Subsection (4) of the Act of 1919 to hold before making any order. This objection may be a valid objection to the granting of a writ of certiorari, but as it is not necessary to decide the point I express no opinion upon it. With regard to prohibition, if the writ lies at all I do not thing that the objection is a sound one. The point was raised in the case of *Byerley v. Windus*. Mr. Justice Bayley deals with it in this way. He says: 'And this brings me to the second question, whether the proceeding are in such a state in the Court below as to warrant a prohibition at present'; and he proceeds: 'But when once it appears by the proceedings in the spirital court, that the prescription, instead of being admitted, is disputed, and that the parties are in progress to bring its existance to trial, the Courts of common law are not bound to wait till the parties have incurred the expense of putting it in issue, but the prohibition is grantable at once;"
and it was upon this principle that the prohibitions were granted in *Darby v. Cosens* and in *French v. Trask.* The statement of what occurred at the local inquiry, as set out in Paragraph 15 of Mr. Fladgate's affidavit brings this case, in my opinion, well within the principle laid down by Mr. Justice Bayley, and I think that this objection fails.

"The other objections to the granting of any writ were much more serious, and they raise difficult and important questions, constitutional as well as legal. In substance, the objections come to this: (a) that the proceedings of the Electricity Commissioners are of an executive, and not a judicial character; (b) that whether that be so or not, their proceedings in reference to the preparation of schemes as directed by the Electricity Act, 1919, are controllable by Parliament, and by Parliament alone, and are such that there is no moment of time at which the Court can intervene to inquire whether the proceedings are *ultra vires* or not. The argument on this second contention is presented in the following way: Section 7 of the Act, it is said, provides that the Commissioners may make an order giving effect to a scheme, but that order has no force or effect in itself. It is merely a suggestion or advice to be passed on to the Minister of Transport, who may confirm or modify the scheme." Pausing there, that in my submission is exactly the same as the Report of the Boundary Commission which they pass on in this case to the Secretary of State. It is merely a suggestion or advice. "Even then the order has no force. It must first be approved by resolution passed by each House of Parliament, and then, and not till then, has the order any force or effect. As soon as the order has been approved by both Houses of Parliament the section provides that it shall have effect as if enacted in the Act." It is like the present procedure except that no Order in Council is required; the Resolutions of the two Houses are made binding instead of requiring the further act.

His Lordship continues: "The result, according to the respondents, is that any application to the Courts for a writ of prohibition or certiorari must be either premature or too late; premature if made before the order of the Commissioners becomes an Act of Parliament, too late if made after it has attained that status. This argument has only become possible since the Legislature has adopted the practice of providing that resolutions or orders which are directed to lie on the table for a certain period before becoming effective, or which have to be approved by resolution of the Houses of Parliament, are, when approved to have effect as if they were themselves Acts of Parliament. The effect of legislation in this form was discussed in the case of *Institute of Patent Agents v. Lockwood,* where Lord Watson concludes his speech by saying: 'Such rules are to be as effectual as if they were part of the statute itself.' The effect of accepting the argument of the Attorney-General on this point would be very far reaching. It would amount to a decision that the subject has no longer the right in cases like the present, where this form of legislation is adopted, to come to a Court of law and demand an inquiry whether the action, or decision, of which he is complaining is *ultra vires* or not. I question very much whether Parliament had any deliberate intention of producing this result by adopting this particular form of legislation.

"I pass now to consider the contention that if the Court makes an order in the present case for the issue of a writ of prohibition it will be trespassing on ground reserved for Parliament to itself. I cannot see why this action of the Court should be so regarded. By the Act of 1919 Parliament laid down the limits of the jurisdiction of the Electricity Commissioners. It did so presumably because it considered that those limits were the proper ones, and the ones which the Commissioners should observe. Why should Parliament object to a Court of law, if appealed to, using its powers to
keep the Commissioners within those limits? Parliament no doubt has, as
between itself and the Commissioners, provided that no order of the
Commissioners shall have effect unless first approved by Parliament. This
reservation must, I consider, be treated as a reservation for the purposes of
control, and does not in my opinion exclude the jurisdiction of the Courts
of law. If any decision of a Court of law in the opinion of Parliament
unduly fetters the action of the Commissioners it is always open to Parliament
to extend the limits of that jurisdiction.

"I have so far only dealt in a general way with the arguments addressed
to the Court by the Attorney-General. The real question is whether the
principles already laid down in reference to the power and duty of the
Courts to issue writs of prohibition apply to the present case. There can,
of course, be no exact precedent, as the Electricity Commissioners are a
body of quite recent creation. It has, however, always been the boast of our
common law that it will, whenever possible, and where necessary, apply
existing principles to new sets of circumstances." Then his Lordship goes
on to consider writs of prohibition and I need not trouble your Lordships
with the rest of that Judgment.

I ask your Lordships to be so good as to look at Lord Justice Atkins
Judgment on page 207 where he deals with this point in the first new
paragraph: "It is necessary, however, to deal with what I think was the
main objection of the Attorney-General. In this case he said the
Commissioners come to no decision at all. They act merely as advisers.
They recommend an order embodying a scheme to the Minister of Transport,
who may confirm it with or without modifications. Similarly the Minister
of Transport comes to no decision. He submits the order to the Houses of
Parliament, who may approve it with or without modifications." That is
exactly the present case. "The Houses of Parliament may put anything
into the order they please"—this is the argument, not what his Lordship
holds because he holds this is wrong—"whether consistent with the Act
of 1919 or not. Until they have approved, nothing is decided, and in truth
the whole procedure, draft scheme, inquiry, order, confirmation, approval,
is only part of a process by which Parliament is expressing its will, and at
no stage is subject to any control by the Courts. It is unnecessary to
emphasise the constitutional importance of this contention. Given its full
effect, it means that the checks and safeguards which have been imposed
by Act of Parliament, including the freedom from compulsory taking, can
be removed, and new and onerous and inconsistent obligations imposed
without an Act of Parliament, and by simple resolution of both Houses of
Parliament.

"I do not find it necessary to determine whether, on the proper
construction of the statute, resolutions of the two Houses of Parliament
could have the effect claimed. In the provision that the final decision of
the Commissioners is not to be operative until it has been approved by the
two Houses of Parliament, I find nothing inconsistent with the view that
in arriving at that decision the Commissioners themselves are to act judicially
and within the limits prescribed by Act of Parliament, and that the Courts
have power to keep them within those limits. It is to be noted that it is the
order of the Commissioners that eventually takes effect; neither the Minister
of Transport who confirms, nor the Houses of Parliament who approve, can
under the statute make an order which in respect of the matters in question
has any operation. I know of no authority which compels me to hold
that a proceeding cannot be a judicial proceeding subject to prohibition or
certiorari because it is subject to confirmation or approval, even where the
approval has to be that of the Houses of Parliament. The authorities are
to the contrary.
Then his Lordship considers the authorities and I can turn to page 210, first new paragraph, where Lord Justice Atkin says: "In coming to the conclusion that prohibition should go we are not, in my opinion, in any degree affecting, as was suggested, any of the powers of Parliament. If the above construction of the Act is correct the Electricity Commissioners are themselves exceeding the limits imposed upon them by the Legislature, and so far from seeking to diminish the authority of Parliament we are performing the ordinary duty of the Courts in upholding the enactments which it has passed. Nothing we do or say could in any degree affect the complete power of the Legislature by Act of Parliament to carry out the present scheme, or any other scheme. All we say is that it is not a scheme within the provisions of the Act of 1919. That it is convenient to have the point of law decided before further expense and trouble are incurred seems beyond controversy. I think therefore that the appeal should be allowed, so far as the writ of prohibition is concerned, and that the rule for the issue of the writ should be made absolute.

"(Lord Justice Younger): I concur so entirely in the judgment just delivered that I hesitate to add anything to it." His Lordship does proceed to add very useful views to it at the foot of page 211, where he says: "If then this Court be satisfied as it is that it has power to prohibit the Commissioners from further proceeding with such a scheme, ought it to hesitate to exercise that power in the present circumstances of this case? The Attorney-General presented to us a very weighty argument that it should, namely, that the Court, if it were now to intervene here, would be usurping the function of Parliament, which by the Act of 1919 has reserved to itself alone the privilege of expressing effective approval or disapproval of any scheme whether authorised by the Act or not, if brought before it after being made by the Commissioners and confirmed by the Minister of Transport. This important contention of the Attorney-General is the second matter upon which I wish to observe.

"If I thought that Parliament by Section 7, Subsection (2), of the Act of 1919 has so enacted, I would myself at once accept the contention of the Attorney-General. I would conclude that by the terms of the statute the Court had been dispensed from all responsibility in relation to the action either of the Commissioners in making, or of the Minister of Transport in confirming, any scheme under it. In such circumstances any interference by the Court at any stage would, I agree, be in the legal sense of the word an impertinence.

"But I do not so read Section 7, Subsection (2), of the Act of 1919. That Act, in my judgment, contemplates that the Commissioners' order, which, when approved by a resolution passed by each House of Parliament, is to have effect as if enacted in the Act, embodies only a scheme which under the Act the Commissioners are given power either to approve or formulate. Every scheme under the Act remains the scheme of the Commissioners even after it is confirmed by the Minister of Transport and approved by Parliament. The modifications in a scheme inserted either by the Minister of Transport or by Parliament are limited to modifications, as I read the Act, which might have been lawfully made under the powers of the Act by the Commissioners themselves had they been so minded. Parliament has not by the Act conferred upon the Minister of Transport nor has it in terms reserved to itself by a mere resolution of both Houses power, under the name of modifications in a scheme of the Commissioners, to insert in a scheme provisions which would under the Act be beyond the powers of the Commissioners if inserted in the scheme by them in the first instance. So, at any rate, I read the Act. Fortunately, however, it is not necessary in this case to decide the very serious
question whether, if at any time Parliament should approve by resolution
of each House a scheme which, adopting if I may the language of Lord
Robertson in Russell v. Magistrates of Hamilton—, could in fact be shown to
be ‘an abuse’ of the statute, the scheme so approved would nevertheless by
virtue of Section 7, Subsection (2), ‘have effect as if enacted in this Act,’
and would have to be given statutory force by every Court in which its terms
were canvassed. To suggest that such a question is one which may in view
of the terms of this subsection arise, is not of course to suggest that
Parliament cannot sanction and give the effect of statute law to any scheme
it likes. It is only to suggest that it may not have in this Act reserved to
itself the power by a mere resolution of each House to give statutory effect
to a scheme the formulation of which it has not by the statute authorised.”

On the question of whether a Secretary of State can be sued or whether
an ex parte injunction can be granted there are various cases where it has
been and where no difficulty has been felt about it.

The Master of the Rolls: Tell me, because I am in difficulty about this,
whether this is right: what you are trying to do is to prevent Her Majesty
making an Order—put it as you like.

Sir Andrew Clark: With respect, no.

The Master of the Rolls: If you are suing the Secretary of State as an
individual and assuming you have sued him by his right title and not as
Major Gwilym Lloyd-George what is your cause of action against him?

Sir Andrew Clark: My cause of action is to prevent him from committing
a breach of his statutory duty, a breach by which I suffer special damage,
therefore an action which I can bring.

The Master of the Rolls: His answer is: “I am doing what the Statute
tells me I have to do.”

Sir Andrew Clark: With respect my whole case is that he is doing exactly
what the Statute does not tell him what to do. What the Statute tells him to
do is a question of the construction of the Statute. Would your Lordships
like me to deal with that now?

The Master of the Rolls: No. I wanted to get this clear, because it
looked to me as though you may be on the horns of a dilemma about it. I
can understand your saying it was wrong for him as Secretary of State to
present this report but then you would surely have to sue him as Minister of
the Crown, either by petition or under the Crown (Proceedings) Act.

Sir Andrew Clark: With respect, no.

The Master of the Rolls: If you are saying he is as an individual
committing a wrongful act I am not sure what your cause of action against
him is.

Sir Andrew Clark: I am saying that he is not acting as the Secretary of
State for the Crown; he is not acting as a servant of the Crown in presenting
this petition.

The Master of the Rolls: You have sued him as such as the Secretary of
State for the Home Department.

Sir Andrew Clark: Because he is the person named in the Statute as the
person to perform an Executive Act. He is directed by the Statute to perform
an Executive Act. He is the person denominated by that name to perform the
specific act and I say he is threatening to do something which he is not
directed to do under the Statute.

The Master of the Rolls: I should have thought you ought to have sued
him by his private name and say: “You are purporting to do something and
that you can only do by saying you are Secretary of State for the Home
Department and the thing you are doing is that which the Secretary of State
for the Home Department must do” and that that does not apply here.

Sir Andrew Clark: May I put it in this way. The Act of Parliament
nominate a person, it might just as well have been the Master-at-Arms or
anybody else, but it happened to nominate the Secretary of State.

The Master of the Rolls: Supposing it had been the Master-at-Arms, you
would not have sued him as Parker v. Master-at-Arms, but in his private
name whatever it was.

Sir Andrew Clark: I should have sued him as Master-at-Arms if the
Statute had directed the Master-at-Arms to do it.

The Master of the Rolls: By naming him you are saying it is the
individual who answers the description of the Secretary of State.

Sir Andrew Clark: I could and if necessary I should ask for leave to
amend my Writ to sue him as the Rt. Hon. Gwilym Lloyd-George in his
personal name, but in my submission it does not make any difference whether
I do that or whether I sue him as Secretary of State.

The Master of the Rolls: I am not sure.

Sir Andrew Clark: I should have submitted that it does not make any
difference. If necessary I would ask for leave to amend the Writ if your
Lordships thought it was an obstacle in the way. I should have submitted
it would not have made any difference because he is not named in the Act.
It is not the “Rt. Hon. Gwilym Lloyd-George” but the “Secretary of
State.”

The Master of the Rolls: Obviously not, for neither he nor his Ministry
is perpetual.

Sir Andrew Clark: It is the Secretary of State for the time being who is
named in the Act. Therefore, in my submission, I am right in suing the
person named in the Act whatever he is named, the Secretary of State. That
is how we identify him. If I sued the Rt. Hon. Gwilym Lloyd-George and he
ceased to be Secretary of State to-morrow I should have had to have issued
a new writ whereas by suing by his title as Secretary of State the action inures
against whoever is the Secretary of State for the time being.

The Master of the Rolls: My trouble is that if you sue the Secretary of
State for the Home Department you are alleging that he as a Minister of
the Crown is doing something subject to the restraint of this Court.

Sir Andrew Clark: I am alleging that he is not doing it as a Minister of
the Crown, but because he happened to be the person named by the Act to do
it. He is not doing it as part of his duty to the Crown or as his duty as a
Minister of the Crown. He is not acting under his general authority as a
servant or Minister of the Crown.

The Master of the Rolls: As a private individual?

Sir Andrew Clark: With respect, no. He is acting in pursuance of an
Act of Parliament which directs the holder of a particular office at the time
to do a particular thing. He is directed to do that as the holder of that office. It would be like for argument's sake suing the Vicar of Wakefield who is directed to do something by an Act of Parliament.

*The Master of the Rolls:* The Vicar of Wakefield is corporation sole.

_Sir Andrew Clark:* If someone is named in the Act of Parliament they become corporation sole.

*The Master of the Rolls:* I am not satisfied about this. As I say I think you may be on the horns of a dilemma on this point. Parliament has now resolved.

_Sir Andrew Clark:* I would ask your Lordships here and now to resolve any doubt about that.

*The Master of the Rolls:* You had better be careful because if we give you leave to amend I do not know where you would be.

_Sir Andrew Clark:* There is nothing to stop me issuing another Writ this afternoon against the Rt. Hon. Gwilym Lloyd-George. I abide by my submission to your Lordship.

*The Master of the Rolls:* Let us look at one of the authorities. I am seriously disturbed about this.

_Sir Andrew Clark:* I was going to show your Lordship the sort of case where an injunction had been granted. For instance there is the case of Attorney-General for New South Wales and Others v. Trethowan and Others reported in 1932 Appeal Cases at page 526. That was a case where an *ex parte* injunction was granted against the leader of the House of Representatives to restrain him from presenting a Bill—that was actually a legislative enactment—to the Governor for His Majesty's assent. The headnote reads: "The Constitution Act, 1902, enacted by the legislature of New South Wales, was amended in 1929 by adding Section 7A, which provided that no Bill for abolishing the Legislative Council should be presented to the Governor for His Majesty's assent until it had been approved by a majority of the electors voting upon a submission to them made in accordance with the section; and that the same provision was to apply to a Bill to repeat the section. In 1930 both Houses of the Legislature passed two Bills, one to repeat Section 7A and the other to abolish the Legislative Council."

"By Section 5 of the Colonial Laws Validity Act, 1865, the legislature of the State had full power to make laws respecting the constitution, powers and procedure of the legislature, provided that the laws should have been passed in such 'manner and form' as might from time to time be required by any Act of Parliament, letters patent, Order in Council, or colonial law in force in the colony:—"

"Held, that the whole of Section 7A of the Constitution Act, 1902, was within the competence of the legislature of the State under Section 5 of the Colonial Laws Validity Act, 1865, that the provision that Bills of the nature stated must be approved by the electors before being presented was a provision as to 'manner and form' within the meaning of the proviso; and accordingly that the Bills could not lawfully be presented unless and until they had been approved by a majority of the electors voting."

If your Lordships will look at the fourth paragraph on page 527 that says:

"On December 10, 1930, the first two respondents, members of the Legislative Council suing on behalf of themselves and all other members who were not
defendants, brought a suit in the Supreme Court of New South Wales (in Equity) against the present appellants and the respondent, Sir John Peden, the President of the Legislative Council, claiming a declaration that the two Bills could not lawfully be presented to the Governor for assent until approved by the electors in accordance with Section 7A of the Constitution Act, 1902, as amended, and for injunctions restraining the presentation of the Bills.

Upon an ex parte motion interim injunctions were granted, and the matter was adjourned for hearing by the full Court.

"Upon the hearing of the motion, it was demurred to by the defendants upon the grounds (1) that Section 7A, Subsection 6, of the Constitution Act, 1902, was invalid; (2) that no facts were alleged which gave the plaintiffs any ground for equitable relief; (3) that having regard to the object of the suit it was not competent.

"The full Court (Chief Justice Street and Mr. Justices Ferguson, James and Owen; Mr. Justice Long Innes dissenting) overruled the demurrers, and granted the declaration and injunctions prayed. The proceedings are reported at 31 S.R. (N.S.W.) at page 183.

"The present appellants obtained leave to appeal to the High Court of Australia; the appeal was limited by the order to the question 'whether the Parliament of New South Wales has power to abolish the Legislative Council of the State, or to alter its constitution or powers, or to repeal Section 7A of the Constitution Act, 1902, except in the manner provided by the said Section 7A.'

"The High Court of Australia (Mr. Justices Rich, Starke and Dixon; Chief Justice Gavan Duffy and Mr. Justice McTiernan dissenting) dismissed the appeal. The appeal is reported at 44 C.L.R., page 394.

"The grant of special leave to appeal to His Majesty in Council was limited to the questions above mentioned as being the subject of the appeal to the High Court of Australia. The facts and the actual decision in the Privy Council were not material.

Their Lordships do deal shortly at the end of their judgment with the position. Towards the foot of page 540: "The question then arises, could that Bill, a repealing Bill, after its passage through both chambers, be lawfully presented for the Royal assent without having first received the approval of the electors in the prescribed manner? In their Lordships' opinion, the Bill could not lawfully be so presented. The proviso in the second sentence of Section 5 of the Act of 1865 states a condition which must be fulfilled before the legislature can validly exercise its power to make the kind of laws which are referred to in that sentence. In order that Section 7A may be repealed (in other words, in order that that particular law ' respecting the constitution, powers and procedure ' of the legislature may be validly made) the law for that purpose must have been passed in the manner required by Section 7A, a colonial law for the time being in force in New South Wales. An attempt was made to draw some distinction between a Bill to repeal a statute and a Bill for other purposes and between ' making ' laws and the word in the proviso, ' passed '. Their Lordships feel unable to draw any such distinctions. As to the proviso they agree with the views expressed by Mr. Justice Rich in the following words: ' I take the word "passed" to be equivalent to "enacted". The proviso is not dealing with narrow questions of parliamentary procedure '; and later in his judgment: 'In my opinion the proviso to Section 5 relates to the entire process of turning a proposed law into a legislative enactment, and was intended to enjoin fulfilment of every condition and compliance with every requirement which existing legislation imposed upon the process of law making.'

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"Again, no question of repugnancy here arises. It is only a question whether the proposed enactment is *intra vires* or *ultra vires* Section 5. A Bill, within the scope of Subsection 6 of Section 7A, which received the Royal Assent without having been approved by the electors in accordance with that section, would not be a valid Act of the legislature. It would be *ultra vires* Section 5 of the Act of 1865. Indeed, the presentation of the Bill to the Governor without such approval would be the commission of an unlawful act.

"In the result, their Lordships are of opinion that Section 7A of the Constitution Act, 1902, was valid and was in force when the two Bills under consideration were passed through the Legislative Council and the Legislative Assembly. Therefore these Bills could not be presented to the Governor for His Majesty's assent unless and until a majority of the electors voting had approved them.

"For these reasons, their Lordships are of opinion that the judgment of the High Court dismissing the appeal from the decree of the Supreme Court of New South Wales was right. That was where an appeal was stopped because the formalities required by the Act for which it was brought had not been performed.

Lord Justice Jenkins: This case of Trethowan is a different case, is it not? You have got constitutional limits on the legislative power and to exceed those limits is a wrongful act and two members of the Legislative Council on behalf of themselves and all others except those responsible brought proceedings to restrain that wrongful act. That is it, is it not?

Sir Andrew Clark: No, with respect. There it was a restraint on general legislative powers, but in this case it is delegated legislation, and the delegated legislation under this Act is also subject to certain limits which put it exactly on all fours. The delegated power to legislate here can only be carried out in accordance with the special requirements of the Act.

The Master of the Rolls: Could you successfully have restrained a sufficient number of the Members of the House of Commons from resolving in the way they did?

Sir Andrew Clark: No.

The Master of the Rolls: Why not?

Sir Andrew Clark: Because their resolution would have no effect. If I could have got in time, in my submission I could have restrained the Secretary of State from laying the draft Order and report before the two Houses. Once he had laid it before them I could not restrain them. The Court would have no power to restrain them from doing anything. They had been laid before the two Houses for their consideration, and to interfere at that stage until they had considered them would, in my submission, be a breach of privilege. The Houses would consider them. *Non constat* that the two Houses of Parliament, having considered them, would have come to the conclusion that the Court have come to, and thrown them out.

The Master of the Rolls: They have passed resolutions. You say the resolutions are a nullity, do you?

Sir Andrew Clark: Yes, my Lord.

The Master of the Rolls: You do?

Sir Andrew Clark: I say that the resolutions have no effect at all.

The Master of the Rolls: Which is the same thing.
Sir Andrew Clark: Yes.

Lord Justice Jenkins: Why?—because you say the report is not a report. Why do you say the report is not a report?—because in some people's view it might be that it departed from the Act. In other people's view it might be entirely in accordance with the Act. Supposing both Houses think it is in accordance with the Act, or near enough, and approve it, the matter can still be reopened.

Sir Andrew Clark: May I give an instance in answer to that? Supposing the report had recommended that there should be 69 constituencies for Scotland instead of 71 as the Act says, and 30 for Wales instead of the 31 required by the Act. That, in my submission, would have been a clear case where there would be no power in Parliament to approve that report. Here is an Act of Parliament which lays down certain requirements.

Lord Justice Jenkins: If it had, one view is that in all probability the two Houses or the Minister would have seen it and made a modification.

Sir Andrew Clark: They might or might not have done.

Lord Justice Jenkins: It does not follow from a possible hypothetical case like that, that whenever there is a doubt, or two opinions are possible, as to whether the report follows the Act, that the whole matter is at large.

Sir Andrew Clark: I accept that. All I am submitting to your Lordships is that the Court has jurisdiction to look at the facts, and it is for the Court to decide whether there has been such a fundamental departure from the Act that it is not in substance a report made under the Act at all, which does not give effect to the Act.

The Master of the Rolls: I am not sure logically that we had better not look at that first. I have great difficulty myself in following this part of your case.

Sir Andrew Clark: May I look for a moment at the Act?

The Master of the Rolls: Yes.

Sir Andrew Clark: May I deal with the Act before I come to the rules so as to show your Lordships exactly what my submissions on the Act are? It has been pointed out to your Lordships that Section 1 of the Act says the purpose for which the Boundary Commission is set up. It is for the purpose of the continuous review of the distribution of seats at Parliamentary elections that there is to be a Boundary Commission. It is purely for review. Section 2 (1) says: “Each Boundary Commission”—and we are only concerned with the Boundary Commission for England at the moment—“shall keep under review the representation in the House of Commons of the part of the United Kingdom with which they are concerned, and shall, in accordance with the next following subsection, submit to the Secretary of State reports with respect to the whole of that part of the United Kingdom”—that is, England—“either (a)—and we are only concerned with (a) in this case—showing the constituencies into which they recommend that it should be divided in order to give effect to the rules set out in the Second Schedule to this Act.”

Pausing there, all that the Boundary Commission could do is to recommend how England is to be divided in order to give effect to the rules set out in the Second Schedule. If they do not recommend with a view to and so as to carry out the rules set out in the Second Schedule, that is not a report which they have any authority to make under this Act, and the report itself, in my submission, is null and void. Unless their report is a report of their recommendations to give effect to the rules set out in the Schedule, it is not
a report under the Act at all. Then we come on and we find in Subsection (2):
"Reports under the last foregoing Subsection shall be submitted . . . .", and that merely deals with the times.

The Master of the Rolls: The times?

Sir Andrew Clark: The times when the report is to be made. I think I can go to Subsection (5): "As soon as may be after a Boundary Commission have submitted a report to the Secretary of State under this Act"—that must be a report giving effect to the rules set out in the Second Schedule, because that is the only report they can submit, so it must read: "As soon as may be after a Boundary Commission have submitted a report setting out their recommendations to give effect to the rules set out in the Second Schedule to the Act . . . ." They cannot submit any other report. It has to be a report for giving effect to the rules set out in the Second Schedule. "As soon as may be after they have submitted such a report to the Secretary of State under this Act he shall lay the report before Parliament"—that again has to be a report which conforms to the rules—"together"—and I can leave out the next three lines—"with the draft of an Order in Council for giving effect, whether with or without modification to the recommendations contained in the report." If one looks back to Section 2 (1), those must be recommendations to give effect to the rules set out in the Schedule to the Act, so that the only draft Order which the Secretary of State has any power to lay before Parliament at all, in my submission, is the draft Order giving effect to recommendations to carry out the rules in the Second Schedule to the Act and nothing else. It cannot put any other sort of report in.

Then Section 3, Subsection (2): "The draft of any Order in Council laid before Parliament by the Secretary of State under this Act for giving effect"—that must be a report giving effect to the rules in the Second Schedule—"whether with or without modifications, to the recommendations contained in the Report of a Boundary Commission may make provision"—there are certain things he can make provision for which are not material, for things incidental thereto. Then Subsection (4) "If any such draft is approved by resolution of each House of Parliament, the Secretary of State shall submit it to His Majesty in Council"—the only draft which is approved by Resolution of each House is a draft of an Order in Council giving effect to recommendations for the purpose of carrying out the Rules in the Second Schedule to the Act. If the draft is approved—in our submission no such draft has been approved because it is a draft which does not give effect to the recommendations set out in the Second Schedule. It is only such a draft giving effect to the rules set out in the Second Schedule that he has any authority either to submit to Parliament or, if approved by Parliament, to submit to Her Majesty in Council.

Your Lordships have not had your attention directed to the Writ in this action; perhaps I may read to your Lordships from the Writ the relief which is claimed, because your Lordships have not had your attention drawn to that. What is asked for first of all is: "A Declaration that the Report of the Boundary Commissioners for England dated 10th November, 1954, submitted to the Defendant under the provisions of the House of Commons (Redistribution of Seats) Act, 1949, was not made in accordance with and does not comply with the rules set out in the Second Schedule to that Act, and that the said Report is not a 'Report under the said Act' within the meaning of Section 2 (5) thereof. (ii) A Declaration that the Defendant is not bound by Section 3 (4) of the said Act to submit, and ought not to submit to Her Majesty in Council a draft Order in Council entitled 'Draft Parliamentary Constituencies (Manchester, Oldham and Ashton-under-Lyne) Order, 1954,' giving effect to the recommendations contained in the said
Report,” then an injunction to restrain the Defendant from submitting that particular draft Order in Council to Her Majesty, because we say that draft Order in Council is not a draft Order in Council which there was any authority under the Act to submit to her Majesty. There is no suggestion here that the Secretary of State is submitting an Order in Council to Her Majesty in his office as Secretary of State and as a servant of the Crown; he is submitting it simply under the statutory directions in this particular Act of Parliament. It is limited to that particular type of report; it has got to be a report which gives effect to the rules set out in the Second Schedule.

If I may turn to the Rules in the Second Schedule, I make my submissions to your Lordships as to why this Report does not conform to them. Your Lordships will see that the first Rule is that: “The number of constituencies in the several parts of the United Kingdom . . . . shall be as stated” below. One finds first of all that for Great Britain it is to be not substantially greater or less than 613, Scotland not less than 71, Wales not less than 35, so you have a fixed minimum for both Scotland and Wales, and Northern Ireland is fixed at 12, and what one might call a cushioning figure for Great Britain as a whole which allows of some latitude; it is not to be substantially greater or less than 613. What is substantially greater or substantially less is no doubt a matter on which there might be varying views, but the one thing that is clear here is that it is not a fixed figure; it has not got to be any fixed figure, because that is where the whole latitude comes in. There is no latitude to go beyond 71 for Scotland; there is no latitude to go beyond 35 for Wales, and therefore the adjustments, when you have got those two, have all got to come in in England, so one has to find how many are left for England.

In fact what was done was that the Boundary Commission for England ascertained that the recommendation for Wales was going to be 36 and that Scotland was going to remain at 71, and that therefore it left 506 for England. It did not leave 506, of course, it meant that if you were going to get exactly the figure of 613, that would be 506 English seats. But that is a cushioning figure; there is in my submission a wide discretion and that is where all the other discrepancies have to be made up, on that figure.

When one comes to look at the next, we need not trouble with Rules 2 and 3, Rule 4 says: “1. So far as is practicable having regard to the foregoing rules”—that of course would apply specially to Scotland and Wales where they have a minimum number of seats and to some extent to England, but not so much to England because they have a variable figure for England and Wales—“(i) no County or any part thereof shall be included in a constituency which includes the whole or part of any other County or the whole or part of a County Borough or Metropolitan Borough; (ii) No County Borough or any part thereof shall be included in a constituency which includes the whole or part of any other County Borough or the whole or part of a Metropolitan Borough.” We are complaining of both (i) and (ii) there because we are saying here not merely that one voter has been transferred from one constituency to another, but that one of the Plaintiffs now finds himself in a constituency which is half of one County Borough and half of another County Borough, and they are split between the two.

Lord Justice Jenkins: Who are the judges of what is practicable?

Sir Andrew Clark: The Commission, my Lord.

Lord Justice Jenkins: Are those things going to be held up every time because somebody who is dissatisfied thinks it would have been practicable to treat him differently?
Sir Andrew Clark: No, my Lord, it is more fundamental than that. I just pointed that out as saying it is one of the things.

Lord Justice Jenkins: Under Section 4 (1) (a), you are aggrieved under (i).

Sir Andrew Clark: Yes, I am aggrieved under (i): I am aggrieved because I am transferred to a new constituency.

The Master of the Rolls: Merely the effect of being transferred to a new constituency is per se no breach at all; you cannot say you are aggrieved merely because you are transferred from one constituency to another.

Sir Andrew Clark: I am aggrieved because my right of franchise has been interfered with.

The Master of the Rolls: Some rights of franchise were involved in the Act; he cannot simply say: “I was a voter in Gorton and that of itself”—

Sir Andrew Clark: Of course, my Lord, the Act gives the right to interfere with my right of franchise. What I am saying is that so long as the Act is legally valid, I cannot be heard to complain, but if my franchise has been interfered with by a procedure which is not authorised by the Act, then I can complain. I say my right of franchise has been interfered with by a procedure which does not conform with the requirements of the Act, therefore I can complain because one of my clients has been put into a constituency, because in his own constituency he was one of 54,000, and in his new constituency he is one of 62,000 voters so his vote is by that much less valuable, just as a man who takes a ticket in a lottery, if there are 50,000 tickets sold, has a better chance of winning than if there are 60,000 tickets sold, the value of his chance has been interfered with.

The Master of the Rolls: You are saying under Section 4 (1) (a)—

Sir Andrew Clark: I accept at once that is one which is subject to the foregoing rules, is one which is variable. What we submit is really the cardinal principle of these rules is Rule 5: “The electorate of any constituency shall be as near the electoral quota as is practicable having regard to the foregoing rules; and a Boundary Commission may depart from the strict application of the last foregoing rule”—that is Rule 4—“if it appears to them that a departure is desirable to avoid an excessive disparity between the electorate of any constituency and the electoral quota, or between the electorate thereof and that of neighbouring constituencies in the part of the United Kingdom with which they are concerned.” Rule 5 says this: “The electorate of any constituency is to be as near to the electoral quota as is practicable”; that overrides Rule 4, because we have got a provision that where Rule 4 conflicts with that, Rule 4 is to give way to Rule 5. So Rule 5 has precedence over Rule 4, and the only thing which could be said in any way to make it not practicable to make an exact electoral quota is the provisions of Rule 1 which is that it applies, one can see at once, to Scotland, because they are to have a minimum of 71 seats and Wales a minimum of 35.

Therefore that is an overriding requirement, they have got to have at least those, and in those two cases, of course, the electorate of the constituency could not be the same as the electoral quota, because they are fixed. So, in our submission, it is really only those two that can come in, because there is no practical difficulty in making the electoral quota the same as the electorate of the constituency so far as England is concerned, because the only thing that it is subject to, if anything, is that rather vague and general cushion that the total number of seats are not to be substantially greater or
less than 613. The whole of the effect of the words "so far as practicable having regard to the foregoing Rules" is amply exhausted, in our submission, by the requirements of Scotland and Wales.

Lord Justice Jenkins: What do you make of the next bit, "and a Boundary Commission may depart from the strict application of the last foregoing rule if it appears to them that a departure is desirable to avoid an excessive disparity between the electorate of any constituency and the electoral quota." Surely all these Rules are framed so as to give them a very wide discretion within some broad, general principles?

Sir Andrew Clark: In our submission, it is quite practicable, and it is: as far as practicable the electorate of any constituency is to be the same as the electoral quota.

Lord Justice Jenkins: It is only: "having regard to the foregoing rules." It still leaves them free to put what weight they like on Rule 5.

Sir Andrew Clark: The first Rule is a sliding cushion; the second Rule is expressly overruled by the following part of Rule 5. Then if I may go on, Rule 6: "A Boundary Commission may depart from the strict application of the last two foregoing rules"—this is the only one in which they are authorised to depart from Rule 5 really, in my submission—"if special geographical considerations ... render a departure desirable." There is no suggestion that that arises in this case. Now we come to the vital point, and that is rule 7, which is quite inflexible and mandatory; there is no question about Rule 7: "The expression 'electoral quota' means (i) in the application of these rules to a constituency in Great Britain, a number obtained by dividing the electorate for Great Britain by the number of constituencies in Great Britain existing on the enumeration date."

The Master of the Rolls: How does that help you, merely defining the term: "The electorate ... shall be as near the electoral quota as is practicable"?

Sir Andrew Clark: You have got first of all to ascertain your electoral quota. Having ascertained your electoral quota, in our submission under Rule 5 the correct procedure is then to say, having got the electoral quota, then how many seats do I need in order to get the electoral quota as the average of each of these seats, and if that had been done, it would have given 519 seats for England, or a total of 626 for Great Britain, and that they should have proceeded by ascertaining the electoral quota, then saying: how many seats do we require? and the answer would have been 626 for Great Britain, or 519 for England. Having got the 519 seats for England, that would not have been substantially greater, 626, than 613. No-one would suggest that was substantially greater, and having got that ... .

The Master of the Rolls: What do you say—nobody would suggest that 626 was substantially greater than 613?

Sir Andrew Clark: Not substantially greater; it is a question of what ...

The Master of the Rolls: You say so, but again it seems to me, who is to determine it is, the Courts?

Sir Andrew Clark: One has got these conflicting things; the electoral quota has got to be determined in a certain way, then you have got to get the electorate as near as practicable to it, and as near as practicable having regard to the fact that some other figure is not to be substantially greater. I
should have submitted that the first thing you have got to do is to get your electoral quota, find how many seats you require, and then see whether that made it substantially greater or not.

Lord Justice Jenkins: Look what they said in Paragraph 9 of their Report; they said: “Our aim was to create 506 constituencies, each of which would be at or near the electoral quota, without cutting across local government boundaries.” They are saying in another way: we are making it as near the electoral quota as is practicable, having regard to the Rules about cutting across electoral boundaries, and so on.

Sir Andrew Clark: May I look at the Report. Where I say they went wrong was in Paragraph 8; this is the fundamental error in the Report, and it is the last six lines of Paragraph 8: “We thus proceeded on the basis that the number of constituencies available for distribution in England was to be not substantially greater or less than 506.”

Lord Justice Jenkins: Is that wrong or right? It must be right, must not it?

Sir Andrew Clark: Yes, my Lord, that is quite true, but that was not the cardinal provision, however, they started with that.

The Master of the Rolls: You talked about Rule 1 being flexible, I do not know whether that is the adjective, but you will observe that Rules 1, 2 and 3 have got precedence over the later Rules, because Rule 4 is “So far as is practicable having regard to the foregoing rules,” and Rule 5 is again, having got the foregoing Rules, a departure in 5 and 6 is only from 4 and 5, so that they were right in saying, surely, the important thing is 506? “We have not got to go substantially above or below that.”

Sir Andrew Clark: May I point out with respect, my Lord, that in Rule 1 you have three things that are inflexible, and one that is flexible.

The Master of the Rolls: I agree, the figure is what you call a cushion figure, but Rule 1 has primacy, as far as I can see, over the other rules.

Sir Andrew Clark: I quite appreciate that.

The Master of the Rolls: It is inevitable.

Sir Andrew Clark: Except when your Lordship goes down to Rule 5, your Lordship finds: “The electorate . . . shall be as near the electoral quota as is practicable.”

The Master of the Rolls: “Having regard to the foregoing rules,” it then goes on to say, “and a Boundary Commission may depart from” Rule 4.

Sir Andrew Clark: It all turns on the word “substantially.” Then if I may read in the Report: “We thus proceeded on the basis that the number of constituencies available for distribution in England was to be not substantially greater or less than 506, and we allocated seats provisionally to administrative Counties with their associated County Boroughs on the basis of 1 seat for each complete unit of electors”—that is a new thing which comes in altogether; that is the unit of electors; that is nothing to do with an electoral quota.

Lord Justice Jenkins: Look at the figures, 57,122.

Sir Andrew Clark: “The unit representing the average electorate in England, namely 57,122, determined by dividing the total English electorate, namely 28,904,108 by 506”.

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The Master of the Rolls: What they say surely is this: we have been told by Parliament not to be substantially more or less than 506. Our first calculation was, since it is 506, then seeing there are 28,900,000 voters, that would mean that on the basis of Rule 2, each constituency returning a single member, you get theoretically 57,122 electors per member of Parliament. That was our provisional idea, and quite obviously that could not be done in practice; then they say what their aim really was.

Sir Andrew Clark: That is exactly what they did do; that is where we submit they go wrong, because we say they have taken this 506 as though it was a fixed figure, and they have in fact worked out their own electoral quota at 57,122.

Lord Justice Jenkins: That is not a bad shot; 55,170 was the actual one for Great Britain.

Sir Andrew Clark: We say it is a very great difference; it would have made a difference of an additional 13 seats; it would have required 13 more seats.

The Master of the Rolls: They go on: “Our aim was, having formed this view.”

Sir Andrew Clark: “Our aim was to create 506 constituencies.” In my submission that is wrong, because their aim ought not be to create 506 constituencies; their aim was to create such number of constituencies as shall be necessary to give an average of the electoral quota.

The Master of the Rolls: They arrived at 511 in the end.

Sir Andrew Clark: Yes, they say: “Our aim was to create 506 constituencies each of which would be at or near the electoral quota without cutting across local government boundaries.” Of course, they could not do that, because they would not have this electoral quota if there were 506; the electoral quota would have required 519, therefore we say they went wrong by starting off, as their aim, to create 506 constituencies; they ought to have taken 519 constituencies, and then seen whether they thought it necessary to cut those down at all if they felt that was substantially greater than the 506.

The Master of the Rolls: I have great difficulty in following you; however, I hear what you say.

Sir Andrew Clark: That is the submissions that we make on it, that they proceeded by taking the fixed number of seats for England as 506 as the guiding factor; whereas what they ought to have taken was the number of seats necessary to give an average of the electoral quota properly ascertained. Had they taken that, they would have got an additional number of seats. They would have had more seats; it would not be necessary, as they did, to abolish one of the seats in Manchester and one of the seats outside, and to mix the Manchester Borough seats with the county outside, and none of these changes would have been necessary which have prejudiced our clients, and we submit they approached it the wrong way under this Report. That is my submission on the Report; if your Lordships come to the conclusion that there is nothing in that and it is all within their discretion, then it is a pure question of construction, it is not a matter I can cite any authority on. It is not a matter I can argue at any great length. I have made my submissions to your Lordships, and if your Lordships say we think they have done their duty, and that is an end of the matter.
Lord Justice Hodson: I do not understand the learned Judge's judgment at page 5 on this. Is there a “not” left out, or does he mean what he appears to say?

Sir Andrew Clark: “It is perfectly clear that there is an overriding provision in Rule 1 that the allocation of seats to Great Britain, excluding Northern Ireland, was not to be substantially greater or less than 613, but I think that it would be difficult to say that 626 was substantially greater or less than 613, and therefore it would appear to me that the Boundary Commission ought to have approached the problem in accordance with the Rules along those lines and then, of course, applied the geographical considerations”—his Lordship is saying what I have just submitted to your Lordships. He is saying there if they had taken the electoral quota.

Lord Justice Hodson: They would have arrived at this figure of 626, and they ought to have started at that end.

Sir Andrew Clark: They ought to have started at that end; he accepted my argument, which I submitted to him, which I just submitted to your Lordships.

Lord Justice Jenkins: That was the only way of working these rules and any other way was ultra vires and a nullity and not under the Act at all.

Sir Andrew Clark: That is my submission to your Lordships.

Lord Justice Jenkins: My trouble is that there may be more ways than one of complying with general rules of this sort. However, each method of starting has its own difficulties, and disadvantages, and the Commission have to do the best they can to produce a workable result.

Sir Andrew Clark: I feel the greatest possible force in your Lordship's comment; no doubt there may be more ways than one. I am making my submission to your Lordships that here the way they have adopted was not one of the legitimate ways.

Lord Justice Jenkins: You say it goes beyond the legitimate?

Sir Andrew Clark: I do see the weight of your Lordship's point; I appreciate it very fully. I do very fully appreciate it, but my submission to your Lordships here is that this way they have done it is not one of those which are sufficiently near to be a possible way of doing it, and it has reached a very unfortunate result, and one which has caused damage to the Plaintiffs. My submission to your Lordships on this is that they were bound to take the electoral quota which they in fact entirely ignored, except having realised that they have ignored it, they put it in, to try and show that they have not gone so very wrong after all. They put it in at the end of Paragraph 10 merely as a check to try and show they have not got so very wrong. They say: “Thus 410 constituencies or more than 80 per cent. of the whole fall within the range, 45,000 to 65,000 of which the electoral quota (55,670) falls within the range.” In my submission you have only got to look at Paragraph 10 and see that some constituencies fall as low as 40,000 and some as high as 80,000 to see this has gone very wrong when they are told to get as near as practicable to the electoral quota, which is 55,000, and you find some of them have gone 25,000 over and some of them have gone 15,000 below, which is not a very satisfactory result. They have only used the true electoral quota in brackets at the end to try and excuse themselves for not having done it in that strict way, and to try and show that they have not really done anything substantially wrong. Of course, the key to it all comes from the fact, as became apparent in Mr. Attorney's opening, that what
happened was that there was a previous Act, the 1944 Act, which was quite different. The 1944 Act talked of getting within 25 per cent.

The Attorney-General: If I may help my learned friend on that, the 1944 Act contained a provision, as appears from the first report of the Boundary Commission, Parliament had amended it by deleting that provision before they made their report of 1947. I did not bother your Lordships with that; it does appear from the Report; I can draw your Lordships' and my learned friend's attention to it. Therefore the 1944 Act as amended was almost precisely similar in its rules to the rules of the 1949 Act.

Sir Andrew Clark: They made a Report under that Act; that Report for some reason was never adopted. It does not matter what the purpose was. The Act was repealed, and now we get a new Act and a different wording, at any rate, from what the old Act was. Under the new Act they proceeded in exactly the same way as where Mr. Attorney read their previous Report. They proceeded on the old procedure which was dropped before, we do not know why, and the Report never took effect. They proceeded under a different Act in the same manner.

The Attorney-General: I do not know if I can help my learned friend, it is not quite accurate to say that that Report did not take effect. It did take effect in certain respects; its recommendations were embodied to a considerable extent, if not entirely, in a Bill which became an Act plus 17 additional seats in addition to their recommendations. The 1949 Act, if I may help again on that, is an Act to consolidate the enactments and to make permanent provision.

The Master of the Rolls: Thank you.

Sir Andrew Clark: The Report as a Report, was never passed in accordance with the Act, and there was no Order in Council adopting it. I ask your Lordships, having looked at the Report, to look for one moment at the Draft Order in Council itself. This is the Draft Order which the Secretary of State is proposing to lay before Her Majesty. It starts off by saying: “Whereas in pursuance of Subsection (1) of Section 2 of the House of Commons (Redistribution of Seats) Act, 1949, the Boundary Commission for England has submitted to the Secretary of State a report dated the 10th day of November 1954, showing the constituencies into which they recommend that England should be divided in order to give effect to the Rules set out in the Second Schedule of the said Act”—we submit that the whole of that is quite untrue, because we say that the Report was not made in pursuance of Section 2, Subsection (1), and we say that the Report does not recommend the constituencies into which England could be divided in order to give effect to the Rules set out in the Second Schedule. We say the whole of that recital is completely erroneous.

Then there is another recital that he has laid the Report before Parliament, then comes: “Now, therefore, Her Majesty, in pursuance of the powers conferred by Section 3 of the House of Commons (Redistribution of Seats) Act, 1949, is pleased by and with the advice of her Privy Council, to order, and it is hereby ordered, as follows”—so it is quite clear that the Order in Council is made in pursuance of Section 3 of the Act of 1949 and nothing else, and therefore if the Report is not a Report within the meaning of the Act, this authority ought not to be made, because it is only purported to be made under the terms of the Act and in pursuance of the Act, nothing to do with the Royal Prerogative or Her Majesty's right to make Orders in Council. It is an Order in Council under the Act and under the Act only,
and is only made if and insofar as the Act gives power to make it. It is
made under the power conferred by the Act and nothing else. I can show
your Lordships on the Order exactly how the Plaintiffs were affected.

The Master of the Rolls: I assume that from you; we have been told
that, both, until this thing comes into force, are electors in the Gorton
Division, and they will be transferred to some other Division, one will go
to Withington.

Sir Andrew Clark: And one to Openshaw. Openshaw Division
incorporated an urban District which we say arose because of the abolition
of the Droylsdon seat which we say would never have been abolished if the
correct procedure had been adopted under the Act, it would have been
unnecessary to abolish it because there would have been nine more
constituencies in hand. I have made my submission on the Act, and I have
not got to satisfy your Lordships that I am necessarily right, but that I
have something amounting to at least a point which ought to be argued,
there is sufficient substance to be argued, and I submit I have shown
something in the nature of a prima facie case.

If your Lordships are against me on that, I am only taking your Lordships'\ntime up unnecessarily.

The Master of the Rolls: I would like to consult with my Brothers when
you have finished this part of your argument.

Sir Andrew Clark: I feel there is very little more I can usefully add on
the question of construction; I have put it to your Lordships, and on what
was done. I do not think I can usefully amplify that. If your Lordships
are against me on that, it would not be right that I should take up your
Lordships' time with authorities whether I can sue the Secretary of State.

The Master of the Rolls: This is an interlocutory appeal; we do not
normally hear more than one Counsel, but we inquire from Mr. Nesbitt
whether he would like to address us. We would certainly consider it as a
matter of special privilege.

Mr. Nesbitt: My Lords, I do not wish to address your Lordships.

Sir Andrew Clark: Would your Lordships like me to wait while your
Lordships consult?

The Master of the Rolls: While we have a word: we will let you know.

(Their Lordships conferred.)

The Master of the Rolls: Sir Andrew, we have all three reached a clear
conclusion upon this point which is adverse to your argument.

Sir Andrew Clark: Then I feel it would be wrong that I should trouble
your Lordships to listen to me further on the other point.

The Master of the Rolls: Thank you very much.
PART III

JUDGMENT

The Master of the Rolls: This case comes before us in very unusual circumstances, and it is right that I should first make clear as a matter of procedure what it is that we are being called upon to determine. The Writ in the action was issued I think last Friday, the Plaintiffs being two individuals, a Mr. Harper and Mr. Lord, who are electors at the moment in one of the Parliamentary Divisions of Manchester. The Defendant as described in the Writ is the Secretary of State for the Home Department. The relief sought in the Writ is, first, a declaration that the Report of the Boundary Commissioners dated 10th November, 1954 and submitted to the Defendant, that is the Secretary of State, under the House of Commons (Redistribution of Seats) Act, 1949, was not made in accordance with that Act, and was therefore not a Report as stated in that Act. The Writ proceeds to seek a further declaration that the Defendant Secretary of State was not bound to submit and ought not to submit to Her Majesty in Council a Draft Order in Council as provided by the Act and then seeks an injunction.

The Plaintiffs moved, as I understand, my Brother Roxburgh on Friday morning for an ex parte injunction; and though the learned Judge, apprehending the seriousness of the matter, gave an opportunity so that the Defendant could be before him in the afternoon, it was not in fact practicable, as may well be understood, for the Defendant then to be represented by Counsel. The Judge accordingly dealt with the matter as an ex parte application. He made an Order ex parte restraining the Secretary of State until after Tuesday (that is to-morrow) or further Order, from presenting to Her Majesty in Council a Draft Order in Council as provided by the Act and then seeks an injunction.

In the ordinary course the procedure would be. I do not doubt, that if the interval before the Motion came on to be heard in the ordinary way were substantial, and if at the same time the Defendant thought on any sufficient ground that the ex parte injunction ought not to be continued, then he would apply to discharge the ex parte injunction. In this case, as I have intimated, the ex parte injunction only runs until to-morrow. It might therefore have been thought the more natural course to wait until to-morrow in order that the learned Judge might hear the Motion inter partes. make a decision, and then if either party were dissatisfied with that decision, there could be an appeal to this Court. But, as everybody knows, and through no fault or malice on anybody's part, this matter has come before the Court very late in the term, and the case being obviously one of substance and some urgency, to put it no higher, it has been thought proper on behalf of the Defendant Secretary of State to come to-day to this Court to appeal against the making of the injunction ex parte.

We are therefore only concerned with the question whether that ex parte injunction was rightly granted. I think it right to emphasise these procedural matters because the course which has been followed and which learned Counsel have both thought it right to pursue here is one which owes its existence, owes the fact of its having been followed, to the special circumstances, particularly as to time, in which the Court is now placed. I do not, however, forget that it is only with the ex parte injunction that the Court is now concerned. Yet if we reach a conclusion that the ex parte injunction should not have been granted upon grounds which affect the declarations sought in the Writ, it is obvious that, as a practical matter, our decision is likely to govern what will hereafter occur on the hearing of the Motion to-morrow and I dare say of the action itself.
After that preamble I turn to some references to the Act of 1949 which is involved. But, first, it is plain that the form of the action is an unusual one. As I have said, the Defendant is the Secretary of State for the Home Department, and, as is apparent from the endorsement, what it is sought by the Plaintiffs to achieve is an injunction to restrain the Secretary of State from presenting to Her Majesty in Council a Draft Order which has already received the approval of both Houses of Parliament. It is therefore obvious that the Court is concerned with matters which at any rate come somewhat near to touching upon the relative spheres of Parliament and the Courts. I shall have something later to say about the Defendant and the name by which he is said, "Secretary of State for the Home Department" but I will first recite the necessary parts of the 1949 Act.

It was an Act passed to replace an earlier Act, and as I follow it, to consolidate earlier enactments. Its long title is "An Act to consolidate the enactments which make permanent provision for the redistribution of seats at Parliamentary elections," etc. The first section established Boundary Commissions for the four parts of the United Kingdom of Great Britain and Northern Ireland, namely England, Scotland, Wales and Northern Ireland. After stating how those Commissions were to be constituted, Section 2 provides: "Each Boundary Commission shall keep under review the representation in the House of Commons of the part of the United Kingdom with which they are concerned and shall, in accordance with the next following subsection, submit to the Secretary of State"—meaning thereby the Secretary of State for the Home Department—"reports with respect to the whole of that part of the United Kingdom either"—and this is the alternative we are concerned with—"(a) showing the constituencies into which they recommend that it should be divided in order to give effect to the Rules set out in the Second Schedule to this Act; or", alternatively, and this has not arisen—"(b) stating that, in the opinion of the Commission, no alteration is required. I can pass over the next three subsections, and 90 to Subsection (5) of Section 2: "As soon as may be after a Boundary Commission have submitted a Report to the Secretary of State under this Act, he shall lay the Report before Parliament together, except in a case where the Report states that no alteration is required," etc., "with the draft of an Order in Council for giving effect, whether with or without modifications, to the recommendations contained in the Report."

Section 3, Subsection (2), provides that "The draft of any Order in Council laid before Parliament by the Secretary of State under this Act for giving effect, whether with or without modifications, to the recommendations contained in the report of a Boundary Commission may make provision (a) for any matters which appear to him to be incidental thereto or consequential thereon," and there are certain other provisions, which I need not enumerate.

Then Subsection (4) of Section 3 says: "If any such draft is approved by resolution of each House of Parliament, the Secretary of State shall submit it to His Majesty in Council."

Before I pass to the Second Schedule to give effect to the Rules in which, as will be recalled, Section 2 provides that the recommendations be directed, I pause to restate this fact. In the present case, the Secretary of State, having received the report, to which I shall later advert, laid it before Parliament, together with a draft Order in Council, and each of the Houses of Parliament approved that Order in Council. Prima facie, therefore, the Secretary of State must now submit the draft Order in Council to Her Majesty. I have said that the case is, therefore, a striking one, coming near at the least to involving the privileges and powers of Parliament; but let me say at once that the Courts have never been reluctant or afraid to exercise their powers where they are
satisfied that such powers reside in the Courts, and that some one or more of the subjects of Her Majesty are in danger of finding their rights imperilled.

I come now to the Second Schedule, containing the Rules which are to be the guide of the Boundary Commission in making and presenting their reports. The Rules in the Second Schedule are described as “Rules for redistribution of seats.” The first is thus: “The number of constituencies in the several parts of the United Kingdom set out in the first column of the following table shall be as stated respectively in the second column of that table.” The first column is headed: “Part of the United Kingdom,” and the second column, “No. of Constituencies.” Then against “Great Britain” you find “not substantially greater or less than 613.” Then: “Scotland .... Not less than 71. Wales .... Not less than 35, and Northern Ireland .... 12.” It is convenient to pause in order to say that (Wales having risen to the figure of 36) from the figure of 613 opposite “Great Britain” you should deduct the figure of 107, so that in considering the English representation you may say for practical purposes that the figure is not to be substantially greater nor less than 506.

Paragraph 2 says: “Every constituency shall return a single Member.” Paragraph 3 relates to the City of London. Paragraph 4, or Rule 4, opens with the words: “So far as is practicable having regard to the foregoing rules,” and then there are provisions directing the Commissioners that counties or parts of counties shall not be included in constituencies which are included in the whole or parts of other counties.

Then there is a rule or paragraph particularly directed to the inter-relations of parliamentary representations and local government.

Rule 5 says: “The electorate of any constituency shall be as near the electoral quota as is practicable having regard to the foregoing rules; and a Boundary Commission may depart from the strict application of the last foregoing rule”—that is Rule 4 about counties and local governments—“if it appears to them that a departure is desirable to avoid an excessive disparity between the electorate of any constituency and the electoral quota, or” and then another alternative is given.

Rule 6 is: “A Boundary Commission may depart from the strict application of the last two foregoing rules if special geographical considera­tions, including in particular the size, shape and accessibility of a constituency, appear to them to render a departure desirable.”

Then, to complete my reading of the Schedule, the phrase, “electoral quota,” used in Rule 5, is defined to mean so far as Great Britain is concerned, a “number obtained by dividing the electorate for Great Britain by the number of constituencies in Great Britain existing on the enumeration date.” I need not take time to state what is meant by “enumeration date.”

Before I proceed to consider what has been done, I venture to draw attention to one feature of these rules which seems to me to be striking, and that is that within certain broad lines plainly a measure of latitude or of discretion is conferred. And it is primarily conferred, I think, upon the Commission. It would be difficult to think of any other way in which such a body would work. To take examples, you get in the first rule a figure “not substantially greater or less.” Then in the fourth rule is the phrase “So far as is practicable having regard to the foregoing rules”; and in the fifth rule it is stated, “The electorate of any constituency shall be as near the electoral quota as is practicable having regard to the foregoing rule,” and “the Boundary Commission may depart from the strict application of the last foregoing rule if it appears to them that a departure is desirable to avoid an excessive disparity.

And in Rule 6 again: “A Boundary Commission may depart from the strict application” if it appears to them “desirable,” and so forth.
It is, however, a fact that some primacy is obviously given to the first three rules: particularly, for example, Scotland's representation is to be "not less than 71," and for Great Britain as a whole the number of constituencies is not to be substantially greater or less than 613. In Rule 2 again "Every constituency shall" be a single member constituency.

I turn now to see how the Commission in this case has gone about its task. The authority for the procedure adopted was stated in paragraph 8. They said that they were advised that it was unlikely that their opposite numbers, so to speak, the Boundary Commissions for Scotland and Wales should want to add to Scottish and Welsh representation—now I am quoting—and they "proceeded on the basis that the number of constituencies available for distribution in England was to be not substantially greater or less than 506." Pausing there, it seems impossible to suggest that the Boundary Commission have done anything so far to which anybody could take the smallest exception.

They then added this sentence, which has brought upon them the criticism of acting outside their proper sphere. They said: "We allocated seats provisionally to administrative counties with their associated county boroughs on the basis of one seat for each complete unit of electors, the unit representing the average electorate in England, namely, 57,122, determined by dividing the total English electorate, viz., 28,904,108 by 506."

I will read on: "Our aim was to create 506 constituencies each of which would be at or near the electoral quota without cutting across local government boundaries." They said that in some cases that would be easy enough, and then they said that in others it would require special consideration, and in those cases what they had to do was to decide between departure from quota or disregard of boundaries. After considering all those cases accordingly, their recommendation was that they would increase the number of constituencies in England from 506 to 511; but they show that their final suggested rearrangement was such that in more than 80 per cent. of the whole they did achieve a range of figures of electorate which was close to the electoral quota, the electoral quota as defined by the Act being a total of 55,670.

Now the challenge to the validity of that Report (for that is what is said, and must be said) is, that in the sentence which I read in Paragraph 8 referring to a provisional allocation on the basis of single member constituencies, every unit containing 57,122, there was a misdirection of themselves so fundamental as to disable all the later calculations. It is said that what they ought to have done was to work out and discover what the electoral quota was (as indeed they did), namely, 55,670, and if by that figure they had divided the total English electorate, 28,900,000 odd, they would have found out that the arithmetical answer was 519. Sir Andrew suggests that 519 could not be said to be a substantial increase above 506. They should have, therefore, started on the basis that there were going to be 519 seats. By placing far too much emphasis on the originating figure of 506 constituencies, says he, they got the whole thing wrong and have produced a report which so far departs from the authority vested in them that he, Sir Andrew, can say it is not a report at all.

Upon this matter I confess that I have come myself to a clear conclusion that there is no ground for saying that this Report, as I read it, was such a substantial departure or was indeed any departure from the rules which the Commission had to have in mind. The Commission plainly placed emphasis upon Rule 1, that the number of English seats was to be not substantially greater or less than 613 minus the Scottish and Welsh; and upon the Rule that they were to be single member constituencies. What they proceeded to do was to say that, if every constituency was ideally
such that you had one member for an equal number of electors, then you
would have 506 constituencies of 57,000 odd each; but they also said that
what they aimed to do was to create 506 constituencies having a number
of electors as near as possible to the electoral quota, and, that being
impossible, then they had to decide according to their discretion whether
the quota should give way to boundaries or vice versa. The whole method
was exposed upon the face of the Report, and, if the method they adopted
was one which Parliament itself did not like, it no doubt would have
modified or rejected it.

I am, I am afraid, quite unable to accept, with all respect to him, the
view which commended itself to Mr. Justice Roxburgh. He said: “It is
perfectly true that there is an over-riding provision in Rule 1 that the
allocation of seats to Great Britain, excluding Northern Ireland, was not to
be substantially greater or less than 613, but I think that it would be difficult
to say that 626”—and that, of course, is the same figure, with the Scottish
and Welsh constituencies put in, as the 519 that I mentioned earlier—“was
substantially greater or less than 613, and therefore it would appear to me
that the Boundary Commission ought to have approached the problem in
accordance with the rule along those lines.”

My reading of these rules and of the whole Act is that it was quite
clearly intended that, in so far as the matter is not within the discretion of
the Commission, it was certainly to be a matter for Parliament to determine.
I find it impossible to suppose that Parliament contemplated that upon any
of these occasions when reports were presented it would be competent for
the Court to determine and pronounce upon whether a particular line which
had commended itself to the Commissioners was one which the Court thought
the best line or the right line—one thing rather than another to be regarded
as practicable, and so on. If it were competent for the Courts to pass
judgments of that kind before the Reports, I am at a loss to see where the
process would end and what the function of Parliament would turn out to be.

If that is the right view, then, as I think, everything else follows. Sir
Andrew indeed conceded that, unless you could say that the report was
vitiated by misdirection of themselves by the Commissioners so as to be in
effect no report at all, then his cause of action was in limine destroyed. I
find it unnecessary to say what the Court would say or should do if the
Commission upon the face of a report made recommendations which were
manifestly in complete disregard of the, 1949 Act and of the rules thereunder.
I find it difficult to think that Parliament would pass them by unnoticed; but,
if Parliament none the less adopted them, I find it unnecessary to say what
view the court might take.

In another case, arising out of the same report, which came before
Mr. Justice Harman, he used this language. I should point out that in this
case the remedy sought by representatives of certain other constituencies was
against the Boundary Commission itself, not the Home Secretary, but the
learned judge said: “This is not a matter in which I ought to be asked to
interfere or in which any good purpose would be served by my seeking to do
so. I do not think questions of jurisdiction really need be debated at this
stage. I shall assume that I can, if necessary, express an opinion as to the
proceedings of the Boundary Commission, without going beyond the functions
of this Court, but I am satisfied that I should certainly serve no useful object
by doing so, and that the machinery set up under this Act does not leave any
room which makes it appropriate for the Court to intervene either at this or
at any other stage.”

I must say that I find myself in agreement with the view that obviously
commended itself to Mr. Justice Harman.
Sir Andrew referred us to one or two cases, and upon those I ought to say one or two words. In the case of *The King v. Electricity Commissioners*, reported in 1924, 1 King's Bench Division, page 171, the Court granted a writ of prohibition or mandamus against the Electricity Commissioners. But in that case what the Electricity Commissioners were told to do was to prepare certain schemes which would become orders upon their confirmation first by the Minister and later by the resolution of the House. They would always be the orders of the Commissioners, and the Act which imposed on them the duty of making these schemes plainly imposed on them quasi judicial functions. In that case it was discovered that, whilst they were proceeding and before they had reached the stage of preparing and presenting an order, they had gone altogether outside the functions which were committed to them by Parliament. Lord Justice Atkin at page 210 said:

“If the above construction of the Act is correct the Electricity Commissioners are themselves exceeding the limits imposed upon them by the Legislature, and so far from seeking to diminish the authority of Parliament we are performing the ordinary duty of the Courts in upholding the enactments which it has passed.”

Lord Justice Younger, at page 212 said: “That Act in my judgment contemplates that the Commissioners' order, which when approved by a resolution passed by each House of Parliament, is to have effect as if enacted in the Act, embodies only a scheme which under the Act the Commissioners are given power either to approve or formulate. Every scheme under the Act remains the scheme of the Commissioners even after it is confirmed” and so forth. Both Lord Justice Younger and Lord Justice Atkin (in an earlier passage, particularly at the bottom of page 207 onwards) had observed that the Commissioners were given limited quasi judicial functions, and that it had been established that the Commissioners had exceeded those functions. If the Boundary Commission had been given similar functions, and if it had become manifest at some stage or on any occasion that they were exceeding them, it might well be that the Court would think it right to make a prerogative order of prohibition or mandamus to compel them to perform their functions properly. I observe that Lord Justice Atkin forebore from expressing any view as to what the Court would do if, notwithstanding, Parliament had in fact approved the order which the Commissioners had been restrained from proceeding to make.

The other case to which Sir Andrew referred was that of the Attorney-General for *New South Wales v. Trethowran*, reported in 1932 Appeal Cases, for the purpose of showing that the Court will in appropriate cases grant injunctions and grant them *ex parte* to prevent someone in the position of a Minister from taking a Bill or Order, whatever it might be, to the Sovereign or the Sovereign's representative for the purpose of its becoming law. But that was a case where the legislature concerned, namely, the legislature of New South Wales, had under the Australian Constitution strictly limited legislative functions, and it having been shown that the proposed Act of Parliament had disregarded the provision in the Constitution which required a particular sanction on the part of the electorate, the Courts in Australia (and the Privy Council here affirmed them) restrained members of the Legislative Council, other than the plaintiffs who were suing, from proceeding to take the measure for the approval of the Governor-General. That seems to me quite a different case from the present. We are in no sense here concerned with a Parliament or legislature having limited legislative functions according to the Constitution.

I have, therefore, not thought that those two cases carry Sir Andrew any further on his road. The Attorney-General said that, apart from the question...
of the effect of the report and the proposed Order in Council, the Courts in any case had no more power to grant the injunctions against the Secretary of State than they would have to prevent a Minister, or whoever are the other appropriate persons concerned, from taking to the Sovereign a Bill that has duly passed its third reading in each of the two Houses for the Royal assent; and a reference was made by him to the case of The Queen v. The Lords' Commissioners of the Treasury. I do not find it necessary to express any view upon that broad proposition, save to say that in my judgment the case of The Queen v. The Lords' Commissioners of the Treasury, reported in 7 Queen's Bench Cases, at page 378, seems to me to be of a wholly different character from the case with which we are now concerned.

But I return at the end of my judgment to the point which I mentioned earlier, and upon which I would say one final word, namely; the question of the defendant to this action. I have said that the defendant is "the Secretary of State for the Home Department"—sued, that is to say, by his official title as a Minister of the Crown. It is said by Sir Andrew that, since the report disregarded the rules in the Act of 1949, therefore it is not a report within the meaning of the Act, and that the Secretary of State has neither the duty to the House or to any one else, nor the power or authority to take this proposed Order in Council to Her Majesty. I am not myself satisfied that Sir Andrew is not in this respect upon the horns of a dilemma. If the whole thing is a nullity and all he seeks to do is to restrain a particular individual, who happens at the moment to be the Secretary of State for the Home Department, I am not satisfied that he ought not to sue him in his personal capacity as for an ordinary wrong—though in that case it would not be clear to me what breach of duty to the plaintiffs he was engaged upon committing. On the other hand, if he does sue him, and rightly sues him, in his capacity as Secretary of State for the Home Department, then I am not satisfied, though I express no final view upon it, as we have not heard full argument, that the case is one which, having regard to the terms of The Crown Proceedings Act, 1947, will lie. And I am not satisfied, having regard to Section 21 of that Act, that upon this alternative the plaintiff could in any event obtain an injunction; but I find it unnecessary to do more than mention that caution upon this point, for, in my judgment, the answer to this case is that the plaintiffs have not established a prima facie case to my satisfaction that the report which was presented and which has formed the basis of all that subsequently happened was otherwise than in accordance with the powers vested in the Boundary Commission; and more particularly that the resolutions which the Houses of Parliament passed under which the Secretary of State has acted and is purporting to act contained in them, so to speak, any infection of invalidity.

Therefore, I think that this ex parte injunction ought not to have been granted and I would allow the appeal against it.

Lord Justice Jenkins: I agree and find nothing that I can usefully add to the reasons my Lord has given for holding that this appeal should be allowed.

Lord Justice Hodson: I also agree.

The Attorney-General: I ask for an order that the ex parte injunction granted by Mr. Justice Roxburgh should be discharged, and I also ask for costs.

The Master of the Rolls: What about costs, Sir Andrew?

Sir Andrew Clark: I cannot resist costs before your Lordship.

The Master of the Rolls: You are only asking for costs in this court?
The Attorney-General: Yes; in the Court below it was ex parte.

The Master of the Rolls: The costs in this Court.

Sir Andrew Clark: I cannot resist that, the costs of this application.

The Master of the Rolls: It may or may not start all over again to-morrow morning.

The Attorney-General: One hopes not.

APPENDIX

JUDGMENT

Mr. Justice Roxburgh: By Section 2 of the House of Commons (Redistribution of Seats) Act, 1949, hereinafter called the Act, it is provided that, "Each Boundary Commission"—and we are here concerned with the English Boundary Commission—"shall keep under review the representation in the House of Commons of the part of the United Kingdom with which they are concerned"—that is to say, England—"and shall, in accordance with the next following subsection, submit to the Secretary of State reports with respect to the whole of that part of the United Kingdom, either (a) showing the constituencies into which they recommend that it should be divided in order"—and these are very important words—"to give effect to the rules set out in the Second Schedule to this Act; or (b)"—and this did not happen—"stating that, in the opinion of the Commission, no alteration is required."

Subsection (5) provides: "As soon as may be after a Boundary Commission have submitted a report to the Secretary of State under this Act"—and those are three important words—"he shall lay the report before Parliament together, except in a case where the report states that no alteration is required to be made in respect of the part of the United Kingdom with which the Commission is concerned, with the draft of an Order in Council for giving effect, whether with or without modifications, to the recommendations contained in the report."

Subsection (4) of Section 3 is: "If any such draft is approved by resolution of each House of Parliament, the Secretary of State shall submit it to His Majesty in Council"—this was 1949—and Subsection (7) of Section 3 is: "The validity of any Order in Council purporting to be made under this Act and reciting that a draft thereof has been approved by resolution of each House of Parliament shall not be called in question in any legal proceedings whatsoever."

Now it would be a work of supererogation to mention that the Boundary Commission has reported, that the Secretary of State did lay the draft of an Order in Council before Parliament, and that it has been approved by resolution of each House of Parliament. If therefore it is a draft which complies with the requisites of the Act it is the duty of the Secretary to submit it to Her Majesty, and if he does, and if Her Majesty makes an order in the terms of the draft then it cannot be called in question in any legal proceedings whatever.

I from that derive certain general conclusions. One is that it was contemplated that this procedure would be subject to the jurisdiction of the Courts until Her Majesty had made an Order in Council. Nobody doubts that Parliament is supreme, and that Parliament can repeal or enact any law, but it can only do that by passing an enactment. This is a species of delegated legislation, and I think it appears from the form of the Act itself that it was
intended that the Courts should intervene in a proper case up to the time when Her Majesty made an Order in Council.

Secondly, it appears to me that the Secretary of State, if and when he submits a draft Order to Her Majesty in Council, is not doing it in his general capacity as Secretary of State, but is doing it as a person to whom the duty of so doing is expressly delegated by the provisions of this Act which contains the machinery which is to be used. I do not as at present advised think that the Crown Proceedings Act has any bearing on the present case. If I am wrong in this conclusion I hope to be excused in the light of the fact that it is now 5.30 p.m., and in the light of certain other facts to which I shall shortly be referring.

Now it seems to me that there is not the least doubt that the Secretary of State is not entitled under this Act to do anything unless and until the Boundary Commission have submitted a report to the Secretary of State under this Act, and I do not think that that empowers them to submit any sort of report that they feel inclined to submit. I think that that means a report at which they have arrived in compliance with the duty entrusted to them by this Act, and that was to give effect to the rules set out in the second schedule of the Act, and it would seem to me that if anybody had intervened (in the manner in which the publication of these things was made early intervention would have been extraordinarily difficult) at a very early stage it might have been possible to prevent the Secretary of State from ever laying the report before Parliament.

However, that is a thing of the past, and whatever may be thought of my judgment I no longer feel that I am in any danger of running into conflict with Parliamentary privilege; and that at least has somewhat eased my mind. Nobody, of course, would contend that a resolution of each House of Parliament could of itself amount to an enactment, and therefore it cannot be said that the fact that each House of Parliament has approved the draft in question gives it legislative effect. It is but one step in the machinery which is necessary to give it legislative effect.

Now, in Section 3 Subsection (4) the words “If any such draft” refer back to the draft which is to give effect to the recommendations of a report made “under this Act,” and accordingly I arrive at the conclusion that if the report was not made under this Act then a draft of an Order to give effect to the report would not be a proper draft of an order within the meaning of Subsection (5) of Section 2. Therefore, it would not be a draft which it was proper for the Secretary of State to lay before Her Majesty in Council under Section 3 Subsection (4), and that this conclusion could not be affected by the fact that it had been approved by resolutions of both Houses because, as I said, that per se could not be substituted for passing enactments.

Therefore, the next question to consider is whether or not the Report did give effect to the rules set out in the Second Schedule to the Act. There is certainly a prima facie case that it did not. I need not at this late hour read all the rules, but the dominant consideration is the electoral quota. The method of ascertainment of that is indicated in Paragraph 7 of the Second Schedule, and if those instructions are carried out a figure of 55,670 is arrived at. The next thing which they had to do, as I understand it, was to divide the total electorate of Great Britain (and “Great Britain” means England, Scotland and Wales but not Northern Ireland for this purpose) by the electoral quota which I have already mentioned. If that calculation is carried out the resultant figure is 626 and if you then deduct the seats required for Scotland and Wales you get a result of 519 seats for England.

It is perfectly true that there is an over-riding provision in Rule 1 that the allocation of seats to Great Britain, excluding Northern Ireland, was not to be substantially greater or less than 613, but I think that it would be
difficult to say that 626 was substantially greater or less than 613, and therefore it would appear to me, that the Boundary Commission ought to have approached the problem in accordance with the rules along those lines and then, of course, applied the geographical considerations, and other considerations referred to in the rules which I do not at this late hour propose to investigate. It is quite plain from a reading of the Report that they did not approach the problem along those lines but along the different lines which are there stated. Therefore, I reach the \textit{prima facie} conclusion that the Report was not a report made to give effect to the rules set out in the Second Schedule to the Act and therefore not a report under the Act, and, therefore, not one in respect of which the draft of an Order could properly be laid before Parliament and that, accordingly, the draft is not such a draft as under Subsection (4) of Section 3 can properly be laid before Her Majesty.

I have been much vexed to know what course I ought to take in these difficult circumstances. The motion was opened this morning \textit{ex parte}. Realising the difficulty of what course I ought to take in a matter of this great importance, I gave special leave to serve Notice of Motion upon the Secretary of State for the Home Department returnable at 2.05 o'clock this afternoon. The Solicitor-General most courteously appeared, and I must say that I had hoped that an offer would be made that this Order should not be laid before Her Majesty until, without undue and unreasonable effort, the Court had been able to give the matter full and proper consideration on a motion \textit{inter partes}.

I do not think there is anybody who could say that there is not a case to be tried here. I can well see that other people may take a different view from mine. That is not the point. I do not think anybody could say that there is not a case to be tried. Parliament, in its wisdom, in this Act has thought fit to say that nothing can be done by anybody in any Court of Law after the Order in Council has been made. Therefore, for the plaintiffs, it is now or never.

What is the position on the other side? Apparently, it will cause some inconvenience if the holding of the Privy Council at which the Order should be submitted is postponed to a day later than next Tuesday. The Solicitor-General offered to postpone the submitting of the Order until Monday. Monday is not a motion day. That would have meant nothing to me if I had not already got a heavy list of end-of-term fixtures in Chambers, some of which are part-heard. I explained that I should be very willing to hear this case on Tuesday and to continue it until it was concluded, but the Solicitor-General did not feel able to agree to that solution. Accordingly, I was faced with this: anybody is entitled to come to the Court for \textit{ex parte} application and as far as I know it is the duty of the Judge to go on sitting until he has disposed of it, and that is why I am here at a quarter to six and I have done so, and if I have not given full weight to every possible consideration I trust that everybody will appreciate the circumstances that I have just fully elaborated: for the plaintiffs it is now or never; for the defendants it seems to be a matter of making an appointment for a further session of the Privy Council. What ought I to do in those circumstances?

There is another thing I want to say. Looked at from one point of view this may be a very small matter. It may be said: "What can it really matter to Mr. A. [I am not speaking personally of anyone concerned in this case] whether he votes in one constituency or in another?" But, on the other hand, the Parliamentary vote is a right of property and one very jealously guarded by British subjects and the loss of it or the transference of it is a matter which is quite impossible of estimation in money. It does not sound in that sort of consideration at all.
On balance it seems to me that the plaintiffs ought not to be put in the position that they will be out of Court altogether until the case which they have to be tried and which they want to have tried has been tried. I do not for a moment suggest that it has yet been tried. These are only my preliminary ruminations on a most interesting theme, and accordingly I propose to grant an interim injunction against the Secretary of State to restrain him from presenting to Her Majesty until the time when I can hear the motion any draft Order purporting to be under Section 3(3) of the Act or until the Boundary Commission for England have reported in accordance with the Act. That I think is the strict legal form though, as I am only going to grant an injunction for a day or two it is obvious that that is a matter of merely technical interest. The next thing I want to say is until when.

Sir Andrew Clark: Originally I asked in my writ for leave to serve short Notice of Motion for Tuesday. It is really a question of how long the Solicitor-General will want to be ready.

Mr. Justice Roxburgh: He is not here. I think myself that all that I can do is to grant it over Tuesday and give you leave to serve notice if you need it. You have already served Notice of Motion?

Sir Andrew Clark: We have served the Notice, but the Notice was for 2:05 p.m. to-day.

Mr. Justice Roxburgh: You will have to serve another.

Sir Andrew Clark: It was a Special Notice so I shall have to serve another Notice. I shall have to serve a short Notice for Tuesday.

Mr. Justice Roxburgh: Yes.

Sir Andrew Clark: Then your Lordship will grant the ex parte injunction over the hearing of that motion, because it may not end on Tuesday?

Mr. Justice Roxburgh: Yes.

Sir Andrew Clark: I do not think this motion can be adjourned because there has not been an appearance.

Mr. Justice Roxburgh: No; this is an ex parte application. I give you leave to serve short Notice of Motion for Tuesday, and I gave you an ex parte injunction in the terms I have mentioned over the hearing of the motion.

Sir Andrew Clark: Yes, until judgment on the motion.

Mr. Justice Roxburgh: Yes. If it should so happen that the Solicitor-General finds it is inconvenient or that his evidence is not ready we shall have to discuss it in his presence.

Sir Andrew Clark: Yes.

Mr. Justice Roxburgh: I do not suppose anybody would relish the idea of a motion lasting all Tuesday and Wednesday.

Sir Andrew Clark: I imagine not, my Lord.

Mr. Justice Roxburgh: That is a question of accommodation.

Mr. Warren (for the Solicitor-General): Might I make an application to your Lordship? I have been silent up to now.

Mr. Justice Roxburgh: Strictly, you are not before the Court. I will hear what your application is.
Mr. Warren: I am instructed that the Attorney-General would wish to move to discharge the ex parte injunction which your Lordship has just granted before Tuesday, to which date the injunction runs. I apprehend that in ordinary circumstances the Attorney-General might have moved your Lordship on Monday. Your Lordship has already stated the inconvenience of any proceedings of this nature before your Lordship on Monday.

Mr. Justice Roxburgh: I am addressing you without prejudice because you are strictly not before the Court but I am prepared to listen to you. Is your right course not to go to the Court of Appeal? I do not know; I reserve that until the matter comes on. I should have thought that the Court of Appeal existed to put a Judge right if he has made a mistake. Indeed, sometimes, in a case like this, I may say I am glad there is a Court of Appeal.

Mr. Warren: I am not certain that it would not be the proper process to apply to your Lordship to discharge the ex parte injunction and then, if your Lordship turns the Attorney-General down on that point, to go to the Court of Appeal.

Mr. Justice Roxburgh: I am not going to be involved in nonsensical procedures. If you have to come to me to discharge the order that is one thing, but the next motion day in any Court, as far as I know, is Tuesday, and of course on Tuesday the order will be, so far as I am concerned, wholly reconsidered. That is always so with an ex parte injunction and I shall on Tuesday, if the matter comes back to me, as it were start afresh. I am not at all clear that between now and that date you can come to me to discharge the order. I am certain that you can go to the Court of Appeal and see what happens there. I cannot tell you. So far as I am concerned, I am not going to give any facilities to discharge this order before Tuesday, because I have not got the time to give. It seems to me that if you want to make an application there is the Court of Appeal.

Mr. Warren: If your Lordship pleases.

Sir Andrew Clark: There is one further point: your Lordship’s injunction applies only to presenting the Draft Order in Council mentioned in the Notice of Motion, that is, the one affecting my clients. There are, as I said, a large number. It must be made clear in the order that it only applies to that one and not to any other.

Mr. Justice Roxburgh: Yes.
Mr. Justice Rees.  Yes.

Mr. Retson.  It is a question of accommodation.

Mr. Justice Rees.  That is a question of accommodation.

Mr. Retson.  I am sure that it is not my Lord.

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CABINET

NEW COLONIAL OFFICE BUILDING

MEMORANDUM BY THE MINISTER OF WORKS

In his memorandum C. (54) 393 the Prime Minister has suggested stopping work on the new Colonial Office. It may be helpful if I set out the consequences of doing so.

2. The consequences of abandoning the present building scheme and laying out the site as an open space are as follows:

(i) The Public Offices (Site) Act, 1947, authorised the acquisition of the site of the old Westminster Hospital for the purpose of building public offices, and money was voted by Parliament on that basis. Legislation would be necessary to authorise the use of the site for other purposes.

(ii) The site and accommodation below ground represent an investment of about £1.45 million. It would cost about another £50,000 to lay out the site as an open space.

(iii) If we are to ensure that the whole area, from the Central Hall, Westminster, to the Houses of Parliament, and from Great George Street to Westminster Abbey can become an open space, legislation will be necessary. I have no powers to acquire and hold land for use as an open space. In any case we should have to face opposition from the present owners, and compulsory acquisition of at least some of the buildings is likely to be necessary. The buildings are:

- The Middlesex Guildhall,
- The Royal Institution of Chartered Surveyors,
- No. 10 Great George Street, owned by the Church Commissioners and leased to Middlesex County Council,
- The Institution of Civil Engineers.

I estimate that it would cost £44.5 millions to acquire these properties and compensate the owners.

3. All the properties apart from that belonging to the Chartered Surveyors have a long useful life remaining.

4. The Chartered Surveyors are planning to rebuild on the present site. If this is to be prevented a fairly early disclosure of the intention to create a greater Parliament Square will be necessary.

5. The Colonial Office needs a new headquarters and there are few sites on which a suitable office can be built. The following have been considered:

(i) Richmond Terrace.—We shall have to rebuild this sooner or later. A building to modern planning standards would provide for at most 1,000 people as against 1,150 required by the Colonial Office. This could not be ready in less than 5 years.
(ii) Horseferry Road.—A new building has been started here, but has only reached ground floor level. It has not been designed as a Ministerial building, but it would be large enough for the Colonial Office. Some internal modifications of the plans would be necessary but these could be made in time to start work in a year and a half. The building could then be ready about 1959.

(iii) Great Peter Street.—We are in process of acquiring the remainder of the site between the Horseferry Road building and Great Peter Street. This site will take a building holding about 3,000 people and it would therefore be possible to construct a Colonial Office as part of the scheme. This could not be ready in less than 5 years.

(iv) Carlton House Terrace.—When this was discussed by the Cabinet (C.C. (54) 17th Conclusions, Minute 5) the proposal was to reconstruct Carlton House Terrace for the Foreign Office and the question was remitted to a Cabinet Committee which has not yet met. If the Terrace is reconstructed as planned, it would be possible to accommodate the existing staffs of the Colonial Office and the Commonwealth Relations Office. Working drawings for the west block have been completed, but a good deal of preparatory work still needs to be done. Also, before building can start we need legislation to acquire land for access to the proposed underground car park, and there are still leaseholders occupying some of the houses, e.g., the Savage Club who will have to be forced out or bought out by agreement. We could not therefore count on starting rebuilding for some considerable time. The block west of Duke of York Steps would be ready in about 3½ years from the time of starting work. The east block which must be kept in use while the west block is reconstructed would be ready 3 years later.

6. If Carlton House Terrace was given to the Colonial Office and the Commonwealth Relations Office, some of the Foreign Office staff now there could be put in the Downing Street block and the rest in another building nearby, possibly a rebuilt Richmond Terrace.

N. B.

Lambeth Bridge House, S.E. 1,
CABINET

PARTY POLITICAL BROADCASTING IN WALES

MEMORANDUM BY THE POSTMASTER GENERAL

The National Broadcasting Council for Wales, which was set up under the B.B.C. Charter, say they propose to allow time in the Welsh Home Service for party political broadcasts on Welsh affairs. Their idea is that each Party which put up a minimum of three candidates at the last General Election should nominate speakers to broadcast for 15 minutes every six months. They would deal with Welsh affairs only, that is matters which can be discussed in the Welsh Debate in the House of Commons, not excluding questions which would involve legislation. The Council have acted on their own initiative without reference to me, as they are entitled to do.

2. Under Clause 12 (4) (a) of the B.B.C. Charter it is the Council's duty to control "the policy and the content of the programmes of that service... which the Corporation provides primarily for reception in the country for which the Council are established, and exercising such control with full regard to the distinctive culture, interests and tastes of... that country." The B.B.C. take the view that it is not unreasonable for the Council to want some political broadcasts on purely Welsh affairs in view of their duties under the Charter.

3. The B.B.C. are certain the Council would not drop their scheme as a result of any informal pressure even if they were told that, should they not withdraw, I would issue a formal ban under Clause 15 (4) of the B.B.C. Licence. They say also that the whole of the Welsh Council would resign if such a ban were imposed.

4. The Council's proposal would, I understand, mean that the Conservative, Labour, Liberal and Welsh Nationalist Parties would each have a quarter of an hour every six months. This arrangement, with the present distribution of Welsh Members in Parliament, would of course actually favour us as against the Labour Party. It would, however, bring in the Welsh Nationalist Party and would thus introduce a specially dangerous precedent.

5. The Council's proposal, even if it were restricted to Parties having three or more Members of Parliament (as distinct from candidates) would introduce a serious precedent which might be followed in Scotland and Northern Ireland. Incidentally, even if the initial arrangements were quite unobjectionable the National Councils might well want to change them later and for something really objectionable. In fact this proposal means that a regional Council would have more control over party political broadcasting in its area than is at present exercised by the B.B.C. nationally.

6. On the other hand, there is strong feeling in Wales on this subject and there is a virtual certainty of a serious political blow-up if the present proposal is banned.

7. Whatever view we may adopt, we should presumably have to consult the Opposition and possibly the Liberal Party. I gather that the Welsh sections of the various Parties have not consulted their Headquarters, but that at a national level the Labour Party is likely to be as disturbed by the proposal as we are.

47457
8. A ban could be imposed either by direction by me to the B.B.C. under Section 15 (4) of their Licence, or by altering the B.B.C. Charter with the authority of the whole of Parliament. The B.B.C. has no power to direct the Council on this point.

9. I have delayed circulating this paper until I could discuss the matter with both the B.B.C. and Lord Macdonald, Chairman of the Welsh Council. Lord Macdonald has now agreed that the Council will not take a final decision at its next meeting, and that he would be prepared to discuss the question with Party leaders early in February.

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Post Office Headquarters, E.C. 1,

D.
CABINET

FOREIGN AFFAIRS

MEMORANDUM BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

With the opening of the New Year I feel that I should put before my colleagues certain considerations about the international situation which cause me concern.

Europe

2. On the most favourable assumption it will be the end of March or early April before the London and Paris Agreements are ratified by all concerned. We can be sure that in the interval the Soviets will be active and there are several unpleasant possibilities.

France

3. M. Mendès-France is committed to the treaties and is likely to persevere in his efforts to complete ratification. But his is an unpredictable character which has aroused mistrust among many Frenchmen, who might otherwise share his views, and among almost all his allies. He certainly does not show much concern for the latter. If therefore he gets into further difficulties, as is likely, he will search for more concessions to help him to get more votes from the French Chamber, and in particular he may be tempted to some form of new commitment in respect of early Russian negotiation.

4. This could be mortal. For if we were to embark upon such negotiation before ratification is complete, or even before our agreements had begun to enter into force, the whole future could be jeopardised. It is not understood in this country how narrow a margin of unity we command.

5. Last autumn, through a tour of Western Europe and through the London Conference, we seized the initiative for the moment. The Russians did not quite know what counter-move to make, or when. This applies no longer. The Soviets are engaged, and so are we, in a struggle for Germany and through Germany for the control of Europe. Every Soviet move is calculated to that end. So it is that our first task must be to consolidate the West.

Germany

6. The particular reason for this is Germany. Dr. Adenauer is a great man whose courage and conviction has held Germany together through nearly three years of waiting since the Bonn Treaties were signed. But Dr. Adenauer is getting old. He nearly broke down in the last debate in the Bundestag and the Germans are becoming increasingly impatient. It is not that I fear that they want to pursue policies of collaboration with Russia, but that there will be increasing pressure for Germany to pursue an independent policy as being the method by which she
can best hope to gather increasing strength for herself and thus bring about the unity of Germany.

7. Therefore the German Chancellor simply cannot afford to see anything in the nature of a weakening of allied policy towards Russia in these months unless he equally shows willing. In this respect the position is different from a year ago. At the time of the Berlin Conference we were able, not without some difficulty, to show close unity between the United States, France and ourselves. M. Bidault, whatever his other failings, was a loyal colleague who knew his mind on this issue and it was the same as ours. Mr. Molotov fortunately played his hand so clumsily that German opinion was almost universally united with us. This was our highest point in respect of the unity of the four Western Powers. Italy and Benelux also agreed that on Germany we had tried all we could at Berlin and that the Russians were to blame.

8. I should be by no means confident of a similar outcome from an allied conference with Soviet Russia now. In my judgment, it would be only too easy for the Russians to make moves and simulate concessions which could throw the allies into confusion.

9. In all this, Anglo-American unity remains as ever a decisive factor. But American opinion is weary of European quarrels and we can afford no further set-back such as we suffered when E.D.C. was thrown out.

Italy and Benelux

10. As against this, the position in Italy has improved though it is here that the Communist minority is largest. Italy has shown an encouraging stability in the face of real difficulties and has a record in the last 2 or 3 years of much greater consistency in Government policy than has been shown by France. We should continue to do all we can to help and encourage the Italians. Benelux is loyal to its friendships and perhaps closer to this country than ever before. But it is symptomatic of the dislocation of events that Benelux is deeply distrustful of the French in general and M. Mendes-France in particular.

11. From all this I conclude that until our agreements are safely ratified we must show ourselves reserved in respect of future talks with Soviet Russia on any level. Otherwise we may break a European union which is still fragile.

United States

9. In all this, Anglo-American unity remains as ever a decisive factor. But American opinion is weary of European quarrels and we can afford no further set-back such as we suffered when E.D.C. was thrown out.

Middle East

12. I will not deal in this paper with Middle Eastern affairs, for though the problems there are continuous they are not at present as immediately dangerous as those either in Europe or in the Far East, though they may become so.

Far East

13. The Geneva agreement, I believe, saved the French armies from imminent and complete destruction and the white population from the peril of massacre. Moreover, having been relieved of part at least of her Indo-China burden, France was the better able to make a contribution of some kind to our European front. But the outlook is dark. In Viet Nam the Communists have the advantage of being able to wave the nationalist flag. The Americans have never rightly understood how much this means. Ho Chi-minh is much more than a Communist leader. He is the nationalist leader and to bring in Diem, who is not only a bigoted Catholic but is known to have American backing and set him up in Saigon where his authority hardly stretches beyond his own front door, is no answer to this kind of appeal.

14. However, by the Geneva Agreements we did gain two years before the elections in Viet Nam and we must continue our efforts to find a national leader in the South. Unfortunately we have not only to do this, but to find one who is acceptable to both the Americans and the French. So far no answer has been found, but it can be found and with a large Catholic influx from the North to swell the Southern vote, the South might then be held.

15. As my colleagues know, much of my effort at Geneva was concentrated on trying to save Laos and Cambodia. Fortunately these two little countries are
still alive and Cambodia at least is not doing too badly. There the King is also the Nationalist leader. The French play very little part, or the Americans either, and so long at least as South Vietnam can be held, Cambodia should not give us serious concern. Should South Vietnam fall, the struggle would become intense, but not hopeless.

16. In Laos the position is more difficult owing to Communist infiltration in the north in mountainous territory and to the general lackadaisical attitude of the Laotians, who are, perhaps for that reason, the most attractive of the populations in that part of the world whom I have met.

17. Sometimes it seems as though these States of Indo-China have learnt nothing from the French, except their inexhaustible capacity for failing to form a Government. Laos was nearly six months without one after the Geneva Conference, but now a broad-based Administration is established and with unobtrusive foreign help should be able to hold its own.

18. But the problem of these countries is not, I believe, likely to prove in the main military. To meet this we should have our arrangements under the Manila Treaty, although I do not anticipate anything like a Chinese military invasion, or even a Vietminh military invasion, of these countries. The danger is the appeal of a victorious communism on the one side and the lack of a free national patriotism that makes a stronger call on the other. This problem can be of decisive importance for us; the defence of Malaya lies as much in meeting and repelling the Communist threat to Indo-China, Burma and Siam as it does in any measures we can take in Malaya itself.

19. We should certainly plan in association with the Americans and others to strengthen the military forces of these countries of South-East Asia. But military support, although essential, is not by itself enough. In addition, we must therefore do what we can to build up their security services and their economies. We should also exploit to the full whatever opportunities there may be for intelligent propaganda in order to convince the Asiatics themselves that their free life is menaced by communism. They are by no means persuaded of that yet.

20. To sum up. The defence of our vital interests in Malaya must be conducted in the weak independent States on its borders. If these States are lost to communism, our position in Malaya will be threatened, with damaging consequences to our strategy and our balance of payments. Economic aid, reinforcement of local security services and propaganda will be our weapons.

21. All this must cost money. I have often wearied my colleagues with appeals for more money to spend on propaganda and economic aid. I expect to have to return to the charge when I come back from South-East Asia. In the meanwhile, I would only emphasise once again that at the moment the conflict there, especially in the out-posts of Indo-China, is for men's minds. I hope that at our Bangkok Conference we shall be able to work out intelligent methods by which that battle can be won.

A. E.

Foreign Office, S.W. 1,
7th January, 1955.
On 6th December the Cabinet invited the Colonial Secretary and myself to arrange for the preparation of draft legislation designed to place restrictions on the admission of British subjects from overseas to the United Kingdom and upon their subsequent stay here, and to submit the draft legislation for consideration by the Cabinet (C.C. (54) 82nd Conclusions, Minute 7). Legislation to give effect to such a control would necessarily be somewhat complicated but, after a number of discussions between our two Departments, instructions have been given to Parliamentary Counsel and the preparation of a Bill is now in hand.

2. The draft legislation would be on the following general lines:

(a) An immigration officer (acting in accordance with such directions as the Secretary of State might give) would be empowered to prohibit persons within certain classes of British subjects, British protected persons and (probably) citizens of the Republic of Ireland from landing in the United Kingdom.

(b) The classes of British subjects who would be subject to prohibition would be all except those born in the United Kingdom, the Channel Islands or the Isle of Man, or in possession of a valid United Kingdom passport issued by the Government of any of those territories.

(c) The immigration officer would not have power to prohibit a person liable to exclusion under (a) above from landing if the immigration officer were satisfied that he was a returning resident or genuine temporary visitor or could support himself and his dependants in the United Kingdom, or if he produced to the immigration officer an employment permit issued by the appropriate authority.

(d) A person not in the exempted classes (see (b) above) would be liable to exclusion because of a criminal record, on medical grounds, or for other reasons which would probably need to be specified in the Bill.
Reference: CAB 129/73

All odd numbers between folios 93-99 are blank and have not been copied.
The Secretary of State would also be empowered, if he deemed it to be conducive to the public good to do so, to make an expulsion order, with the same effect as a Deportation Order against an alien, against an individual British subject, British protected person or citizen of the Republic of Ireland, except where the individual "belonged" to the United Kingdom, the Channel Islands or the Isle of Man by birth or residence for, say, 7 years.

Discussions are still proceeding between Departments on whether there should be an appeal against an expulsion order, and if so what the procedure should be.

3. The proposed procedure differs from that applied to aliens in that it avoids requiring British subjects from overseas to seek leave to land in the United Kingdom. This has a psychological advantage and it is also advantageous from the administrative point of view, since it means that there would be no need to make arrangements to regulate traffic which it is not thought necessary to control, e.g. the ordinary traffic between Great Britain and Ireland.

G. L.L. -G.

Home Office, S.W.1.

10th January, 1955.
12th January, 1955

CABINET

MUSCAT AND OMAN; ASSISTANCE TO THE SULTAN

Memorandum by the Secretary of State for Foreign Affairs

The independent Sultanate of Muscat and Oman has a long history of friendship with Britain. We afforded the Sultan military assistance against the inland tribes in 1913; we have on occasion lent him money and supplied him with arms; and we obtained for the Royal Air Force, during the last war, staging facilities (which we still possess) at Masirah and Salalah in the Sultan's dominions. We are also acting on his behalf in the Buraimi affair, on which arbitration is about to begin.

2. Recent developments in Central Oman, a region which the Sultan has always claimed but over which his authority has never been clearly asserted, seem likely to make the Sultanate much more important in the near future. Prospectors of the Iraq Petroleum Company, guarded by a unit of the Sultan's forces, have found such promising oil prospects in Central Oman that the Company is preparing to spend something like £1½ millions in order to get drilling operations started there by the end of the year. The economic and strategic advantages to this country of a major oil strike by a British Company, in an area outside the Persian Gulf and well removed from the vulnerable northern fringe of the Middle East, need no emphasis.

3. The tribes in the vicinity of these oil operations are friendly to the Sultan. But just beyond their tribal lands are pro-Saudi factions and a religious dignitary, known as the Imam, who disputes the Sultan's claim to Central Oman and who is being encouraged by the Saudis to make trouble.

4. Further to the west, in the Sultan's province of Dhofar, there is also likelihood of trouble from the Saudis, who have protested against the operations there of a United States Oil Company, named City Services, which holds a concession from the Sultan for that part of his dominions. Here the Saudis are even better placed to intervene than they are in Central Oman. In neither case is the Sultan's (or Saudi) frontier defined, still less demarcated. But whereas in Central Oman, according to the Saudis, the tribes are independent and Saudi intervention there is likely to be only at secondhand, in Dhofar the Saudis have territorial claims of their own. Those claims were last discussed seriously in 1935, King Ibn Saud claiming one line of frontier and we, on the Sultan's behalf, offering another. The negotiations broke down; and the region in which the City Services Company is now operating lies between the two lines.
5. A recent report from Muscat, apparently well authenticated, said that Turki bin Ataishan was gathering a force together in the desert north of Dhofar, apparently with intent to enter the region of oil operations. It will be recalled that it was Turki who established himself at Buraimi Oasis and held it, against our blockade, for so long. This report may or may not be well founded; but we should be prudent to assume that the Saudis will make trouble for us in that area.

6. The Political Resident in the Persian Gulf, on my instructions, has gone to Salalah to discuss the situation with the Sultan and to ascertain his plans. The Resident will also suggest to the Sultan that we should tell the Saudis forthwith, on his behalf, that the area of the City Service Company's oil operations is within the Sultan's province of Dhofar, and that he is prepared to resist any incursion into it.

7. I am sure that we must help the Sultan, by all means at our disposal, to strengthen his forces both in Central Oman and in Dhofar; and speed is essential. After securing the assent of the Treasury at departmental level, I have -

(a) authorised the Political Resident to tell the Sultan that we shall be ready to make available to him arms and equipment for the further 400 soldiers we know he is thinking of raising; and

(b) arranged with the Air Ministry that the Air Officer Commanding, Aden, shall if possible provide (i) air transport between Masirah and Salalah (see paragraph 1 above) for a detachment to reinforce the Sultan's posts in Northern Dhofar; and (ii) wireless sets and Arab operators for inter-communication between those posts and Salalah.

8. The cost of the material at (a) above will be in the region of £150,000. We are suggesting to the Sultan that this should be treated as a loan, to be repaid on conditions to be discussed at leisure. But I hope that the Iraq Petroleum Company, operating in Central Oman, will be ready to assist in discharging any debt the Sultan may incur, and this question is being taken up with the Managing Director of the Company. The War Office have the material ready for despatch as soon as we hear that the Sultan accepts our offer.

9. The Colonial Office and the Air Ministry have been good enough to instruct the appropriate authorities in Aden to consult together with a view to reporting on the further assistance, by air and on the ground, that might if necessary be provided for the Sultan. It is not easy to forecast what aid or intervention might be needed but we must know, as soon as possible, what we may dispose of in the event of an emergency.

10. I ask the Cabinet -

(i) to approve the preliminary measures that I have taken; and

(ii) to agree in principle that Her Majesty's Government should support the Sultan in resisting Saudi incursion or pressure.
The Cabinet agreed on 15th December that we should make a comprehensive proposal to the Americans as a package settlement of outstanding problems of strategic controls on East/West trade (C.C. (54) 87th Conclusions, Minute 4). The items at issue were shipping, bare copper wire and rolling mills.

2. On 10th January I received a message from Mr. Stassen which naturally welcomed in the main our suggestion on shipping but rejecting any idea of a package deal and refusing to come any way to meet us on the other items. In his reply he also refers to two additional problems - embargo over communications equipment and controls over electric generators.

3. As agreed by my colleagues principally concerned, I discussed all these problems with Mr. Stassen in Paris last week. It is clear to me from these discussions that we shall not succeed in getting the Americans to accept a package deal and that we shall therefore have to reconsider our offer. We must look at each of the outstanding problems in the light of their strategic importance, of the trade at stake and the difficulty of defending our decisions at home, and of the need to maintain to the maximum possible extent Anglo/American unity in this controversial field.

4. Most of the problems are well known already to my colleagues. I need not therefore set them out again at length. I put forward the following suggestions for dealing with them.

Shipping

5. Except in the context of a package deal I do not see how we can defend the proposed agreement of the Co-ordinating Committee of the Paris Group (COCOM) with its discrimination against the United Kingdom by the special exception in respect of fast ships for Denmark and the objectionable egalitarianism in national quotas. I would therefore propose to inform COCOM that we cannot accept this solution and that we prefer to abide by the present controls under which each country is free to authorise such sales of new or second-hand ships as it can justify under agreed procedures. We might try to modify the present controls by seeking agreement on the embargo characteristics other than speed, and on prior consultation only for sales of ships in excess of 15\(^1/2\) knots trial speed.

6. I am sure that this would be commercially more advantageous to us and politically defensible on one condition - that we ourselves cease to operate a unilateral embargo at any given speed limit. On 15th December
18th January, 1955

CABINET

EAST/WEST TRADE

Memorandum by the President of the Board of Trade

The Cabinet agreed on 15th December that we should make a comprehensive proposal to the Americans as a package settlement of outstanding problems of strategic controls on East/West trade (C. C. (54) 87th Conclusions, Minute 4). The items at issue were shipping, bare copper wire and rolling mills.

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6. I am sure that this would be commercially more advantageous to us and politically defensible on one condition - that we ourselves cease to operate a unilateral embargo at any given speed limit. On 15th December
the First Lord of the Admiralty told us that the Naval Staff would not now press for this embargo below 16 knots. I would suggest, however, that our shipbuilders and ship-owners must henceforth be free to sell ships which are as fast as those sold by any other member of COCOM. It is indeed difficult in the circumstances to see what strategic purpose would be served by any other policy.

Copper Wire

7. Our experts are agreed that the problem of bare copper wire is quite distinct from that of communication equipment. I would therefore suggest that we do not make the offer of a formal "amber light" procedure (under which we would re-examine the need for quantitative controls when export approvals in 1955 reached a figure of 50,000 tons) which I was authorised to propose as part of the package deal. In the context of any new controls over cables, an "amber light" at 50,000 tons would be most unpopular, particularly as it would involve the restoration of a control the removal of which we announced last summer. Instead we should immediately make clear in COCOM that we think the normal List III procedure is adequate and that we should be willing to join in discussion at any time that the U.S.A. or any other country thought that the level of exports justified it. The present temporary procedure of prior notification would, of course, no longer apply.

8. As to the Russian order, placed with Crompton Parkinson for 24,000 tons of bare copper wire, on which we have limited ourselves unilaterally to authorising only 6,000 tons, I would propose to tell the company to go ahead with the balance.

Rolling Mills

9. I have told Mr. Stassen that we have made an offer which goes beyond the limit which we considered justified for strategic reasons and that, in particular, we cannot defend the continued embargo over the tinplate mill which industrial and public opinion will not regard as non-strategic. Mr. Stassen emphasised his own political difficulties and all he was able to offer was that our joint defence experts should examine the problem once more.

10. I doubt if any good will come out of such a further examination. But we are in a weak position tactically because all rolling mills are now on the embargo list and we can only free them by a unanimous vote in COCOM. I would therefore recommend that we agree to immediate discussions by our defence experts, while making clear to the Americans that we reserve the right thereafter to table our own proposals in COCOM and possibly also to apply for a special exception in the case of the tinplate mill.

Electric Generators

11. The position here briefly is that in the summer we agreed to an American request to embargo generators over 10,000 k.w. even though we were not convinced by the American argument that these were of vital importance to the development of Russia's atomic energy programme. But the French and Belgians only accepted this embargo as a temporary measure and the Americans have now, without consulting us, offered to reduce the embargo area to generators above 60,000 k.w., but on condition that we accept quantitative controls between 5,000 and 60,000 k.w. and either quantitative controls or embargo over a wide range of prime movers.
12. The restoration of controls in the 5,000 to 10,000 k. w. range, so recently freed, will be criticised by our traders. Moreover, quantitative controls are objectionable in so far as they involve the parcelling out of national quotas. Nevertheless, the American compromise on the electric generators will probably give us a commercial advantage over embargo at 10,000 k. w. and I am prepared to accept it. Our officials are, however, agreed that there is no case for introducing controls over the prime movers and we should therefore stand firm with other countries against these new controls.

Communications Equipment

13. Finally, there is the question of communications equipment. The Americans want us to embargo a whole list of cables and wires ranging from co-axial cable in one direction to lighting flex and bare copper wire in the other. They assert that this is necessary to hinder the Russians from completing their long-distance operational communications and from putting their normal long-distance communications underground. The Chiefs of Staff have recommended an embargo over co-axial cable and multipair cable as suggested by the Americans, and also of carrier frequency repeater equipment which the Americans did not mention, but have said that there is no need to go beyond this.

14. I am not myself convinced of the case for embargo in this field. It is admitted, even by the Americans, that it will be difficult to justify this under the agreed COCOM criteria and it will be equally difficult for us here to defend the loss of Russian orders valued at between £5 and £7 millions which Enfield Cable and G. E. C. have been negotiating with our full authority, particularly as we may not be able to disclose in full the reasons for the new embargo.

15. Nevertheless, I recognise that some action may be needed in our own interest and as a concession to the Americans. I would be prepared to accept an embargo over co-axial cable and the carrier frequency repeater equipment. I would not, at this stage at any rate, think it necessary to embargo also the multipair cable. This may be useful to the Russian communications plan; but the fact remains that it is the ordinary telephone cable used and known all over the world for a very long time.

16. In my discussion with Mr. Stassen, I agreed that there should be a further examination of the communications field by our joint experts, while making clear that we regarded it as being distinct from the copper and bare wire field. This joint study should be completed shortly and I suggest that we defer a final decision on whether or not to control the multipair cable until we have the experts' report.

17. One point remains to be explained in this field. Other countries are known to be negotiating Russian orders for co-axial and multipair cable. Any embargo in this field will therefore be difficult to obtain in COCOM. Pending a decision we shall be at a considerable disadvantage because we had asked Enfield Cable and G. E. C. to stall in their current negotiations with the Russians. Because of the nature of our real reasons for control, we should have to join with the Americans in diplomatic representations (to be made without delay) to the countries most concerned before tabling a joint proposal in COCOM. But this would have to be on the clear understanding -
(a) that we would expect the Americans to limit their proposals to such parts of the field as we are prepared to accept, even though they expressed their own view that the controls should go further;

(b) that we cannot operate a unilateral control. If other countries are not prepared to accept this new embargo (and to prevent the shipment of any prior commitments) we must reserve the right to permit exports ourselves. I would, of course, consult my colleagues again at that stage.

18. If my colleagues approve these proposals, I suggest that we should inform the Americans of the policy we intend to pursue on each item. But we should not invite or wait for their comments. We should, either immediately or after the further report of the experts as the case may be, take the necessary action in COCOM, where our views on electric generators and bare copper wire in particular are urgently awaited in order that final decisions may be taken.

19. We ought not to under-estimate the difficulties which these proposals will create for us, or the loss in exports which may follow. I fear that our critics will regard these new controls as resulting from American pressure and as a step back from the policy of reducing the strategic lists which we carried through last summer.

20. Soviet bloc countries are likely to regard these new controls as the beginning of a long process of extending the strategic lists, and such a fear would be fully justified by their and our experience in the years 1949-53. The indirect effects upon East/West trade are therefore likely to be far greater than the immediate loss in orders. We can only justify our action in the interests of Anglo/American relations and in the hope that this will be reflected in the United States attitude when we come to discuss control over exports to China.

P.T.

Board of Trade, S.W.1.

CABINET

PRICE OF SUGAR

Memorandum by the Chancellor of the Exchequer

On 21st December (C.C.(54) 90th Conclusions, Minute 7) the Cabinet:

(i) Agreed in principle that the price at which the Government sold sugar to refiners in this country should be increased by an amount which was likely to lead to an increase of a ½d. a lb. in the retail price of sugar.

(ii) Invited me to consider the timing of this price increase, in consultation with the other Ministers most directly concerned, and to submit our views for the Prime Minister's approval.

2. The view had been expressed in Cabinet that, if a price increase was inevitable, there were political arguments in favour of allowing it to come into operation earlier rather than later. It was also suggested that the price increase might be delayed until the new rates of National Assistance were in operation, i.e., in the first week of February. From the point of view of the Exchequer, the sooner the price of sugar is increased the better, and the Minister of Food has agreed that the price to the refiners should be raised at the end of this month. This would mean that the increase in retail prices will take place during the first week or ten days of February. The Minister of Labour, the Commonwealth Secretary and the Minister of Pensions and National Insurance concur in this proposal.

3. The Prime Minister has asked that the proposal should be referred to the Cabinet, and I accordingly ask my colleagues to agree that the price of raw sugar to the refiners should be increased at the end of this month.

R.A.B.

Treasury Chambers, S.W.I.

Population Growth

Indian interest in British Colonies dates from the last quarter of the nineteenth century, when large numbers of immigrants from the sub-continent of India entered Mauritius, Fiji, Trinidad, British Guiana and Malaya as indentured labour and East Africa as small traders and railway labourers. In the last quarter of a century immigration has become less important than prodigious natural increase as a factor in population growth. Immigration is also now controlled by legislation. In some territories Indians are the largest single element in the population, and often dominate the economic field. For instance, the Indian population of East Africa, where on the average each Indian woman has 6 children, has risen from about 5,000 in 1901 to 259,000 in mid-1954, a development unknown in most parts of the world, and on present trends it will double itself in the two decades between 1948 and 1968. In Fiji, the Indians who were a small minority in 1901, now outnumber the native Fijians. In Mauritius, the Indian population now has an absolute majority over the rest of the population and in British Guiana they are the largest racial group and nearly half the total population. Considerable Indian communities are to be found in Aden and Singapore. Smaller Indian communities, mainly of the merchant class, also exist in other colonial territories, e.g., Gibraltar, Jamaica, Hong Kong, West and Central Africa. In nearly all territories the proportion of Indians who would now regard Pakistan as their mother country is small and they are the less vigorous element in the Indian population. (Illustrative statistics on the facts given above are to be found in the tables annexed to this paper.)

2. There has been in the past and there still is a place in the economic life of the African territories at any rate which the Asian has filled because there has been no other race capable already to fill it. Thus in East Africa the Asians constitute a number of essential cogs in the economic machine as clerks, technicians and petty shopkeepers and until Africans have been trained, their presence is indispensable. Moreover, as shown by recent constitutional developments in Kenya, Uganda and Tanganyika, it is accepted policy to treat Asian residents both in Africa and in other territories as citizens in the fullest sense of the word, since this is the only hope of attracting their wholehearted loyalty to the territory in which they live. Any other attitude would be unfair to people who have entered in good faith and of whom many have made a very substantial contribution to the economic development of the territories concerned. Colonial Governments in East Africa and elsewhere recognise that the rate of reproduction of the existing Asian population, coupled with the inevitable advance towards some form of other of representative government, must confer on the Asian population a steadily increasing importance in the politics of their territories. Any attempt to deny them political rights and opportunities similar to those given to other races will result in the very situation which we want to avoid, i.e., that they will look to India for their protection.
3. However, their occupations, their religion, and for a long time the
professedly temporary nature of their residence have all reinforced their tendency
to resist assimilation. The experience of territories outside Africa where Indians
have achieved both numerical superiority and substantial political rights indicates
some of the difficulties which this is causing—difficulties which may be in store for
the plural societies of East and Central Africa. In Mauritius the introduction of
the 1947 constitution, with an extended franchise, has permitted Indo-Mauritians to
exploit their great numerical superiority; and in the past 6 years they have, in
conjunction with some of the coloured elements, achieved a coherent and
predominant position as a political party. The danger in Mauritius is less the
threat of direct Indian intervention in the affairs of the Colony than racial and
social discord derived from the fear of Indian domination in the minds of the
Franco-Mauritian population which, for a century and a half, controlled the
political, and still controls the economic, fortunes of the Colony.

4. In Fiji the rapid increase in the Indian population has caused an under­
current of anxiety about the future in each of the main racial groups. The Fijians
(and also the Europeans) resent the occupation of some of the most fertile and
easiest worked land by the Indians, the prominent part played by Indians in public
affairs and in commerce and the general influence which they appear to wield. The
Indians fear that they will not have enough land for their growing numbers and
are uncertain, if not unable, to continue to occupy the land which they
at present lease from the Fijians. They also desire a greater share in the direction
of public affairs commensurate with their numbers and capacity.

5. In British Guiana the East Indian element in the population has now
shaken off its earlier lethargy, its increased self-assertiveness being particularly
marked since India received her independence in 1947. Indians are tending to
play a major part in the commercial and economic life of the Colony and the Civil
Service, and to displace Portuguese, Syrians, Creoles and Africans from these
occupations. The People's Progressive Party, which was responsible for the
constitutional crisis in 1953, was not a racial party in that it contained both leaders
and members of Indian and of African descent. (Its main racial bias was anti­
white.) Its internal stresses were and are partly, but by no means wholly, on racial
lines. In the Colony as a whole, however, racial tension has tended to increase
and is likely to become a serious political problem. In evidence given before the
recent Constitutional Commission, Guianese of African origin stated their
impression that many Indians looked forward to the day when British Guiana
would be part not of the British Commonwealth but of an East Indian Empire.

6. In Trinidad, the Indians, who for the most part arrived as coolies, now
hold a much higher proportion of the wealth in land and property than other
racial groups. They are already 35 per cent of the total population, and as they
grow in numbers and influence, they are organising themselves politically on racial
lines through the Hindu Mahasbha. A strong East Indian political party is likely
to emerge in the near future, both as the Colony approaches self-government and
also in opposition to Caribbean Federation, which East Indians dislike because
it would swap them in a unit with an overwhelmingly African population. It
is even possible that a racial East Indian party may hold the predominance of
power in the Legislature after the next election. The development of politics on
such lines can, of course, only result in an increase of racial tension in the Colony.

Policy towards Indian Immigration into Colonial Territories

7. The realisation of such dangers and the natural increase of population
in the East and Central African territories has led the East and Central African
Governments to the decision that Indian immigration should be severely curtailed,
both in order that the political problems of plural societies shall not be aggravated
and to permit the African to take his proper place in the economic life of his
territory. This general policy is, therefore, to limit further Asian immigration to
the minimum subject to:

(a) the need to avoid clear-cut discrimination embodied in legislation, which
would give the Indian Government reason for airing the matter
internationally, particularly with regard to the Trust Territory of
Tanganyika;

(b) the need to preserve the supply of skilled and semi-skilled artisans for
which India remains the principal source.
8. The effectiveness of immigration policy in East Africa largely depends on immigration machinery; under existing legislation it is difficult for the Executive to apply recognised policy with vigour and discretion. The desirability of amending East African legislation in order to provide for the necessary machinery to control further Asian immigration is recognised, and ways of doing it are now being worked out by the East African Governments and the Colonial Office.

9. Indian immigration into Fiji, Mauritius and the West Indian territories has virtually stopped and is no longer a significant factor.

Policy of the Government of India on Colonial Affairs

10. This policy may be summarised as follows:—

(a) to foster links between Indian communities in colonial territories and India itself (while paying lip-service in public to the principle that Indians should integrate themselves into the territories in which they live);

(b) to build up the position of India as a champion of coloured peoples everywhere, and as the leader of those who wish to throw off "imperialist" domination and achieve self-determination and independence. In pursuing this policy, more especially in the United Nations, India stimulates and exploits the international hostility to the Colonial Powers which hampers the United Kingdom in foreign affairs generally.

11. Reports received from a number of Governors show that the two aspects of this policy together constitute the most persistent and most unsettling of the various external influences which stimulate anti-British, anti-government and extreme nationalist feelings in Colonial territories.

(a) Links between India and Indian Communities in the Colonies

12. Since the earliest days of Indian immigration the Government of India has striven to exercise a "protective" interest in the large communities of persons of Indian origin now settled in a number of colonial territories. At the time when India became an independent member of the Commonwealth it was agreed, after consideration by Ministers, that it would not be possible to deny to her the usual Commonwealth privileges of representation of a consular character in colonial territories, provided it was clear that the Indian representatives could not intervene in local political affairs as the protectors of settled Indian communities or otherwise. Indian Commissioners were subsequently appointed for East and Central Africa, Fiji, Mauritius, the West Indies and British Guiana. Again, and, recently, Hong Kong and West Africa (the Gold Coast and Nigeria). The position of the Indian representative (formerly Indian Agent) in Malaya (established many years ago) has been brought into line with that of Commissioners in other territories.

13. It is clear that the Government of India and its Representatives are still inclined to regard themselves as the protectors of such communities. Mr. Krishna Menon, when Indian High Commissioner in London, made a number of representations to my predecessors on questions affecting Indians in colonial territories, even where these matters were of a political character entirely within the jurisdiction of the local government (e.g., on education policy in Kenya and land and taxation policy in Fiji). More recent representations have been made (towards the end of 1953) in two formal aide-memoires from the Government of India. The first dealt with immigration into Northern Rhodesia (which increased sharply before Federation) and the effects of Central African federation in this and other fields. Among other things, including criticism of the Federation scheme itself, this aide-memoire alleged discrimination in immigration restrictions on Indians. The second dealt with events in East Africa, British Guiana and our general colonial policy. Such representations have in the past been treated with the tolerance befitting relations between members of the "Commonwealth family."

14. Until recently the only area in which the Indian Commissioner had given serious cause for complaint was East Africa, but the Indian Commissioners in Trinidad and Mauritius both appear to have contravened their instructions. Although no formal evidence is yet available against the former, the Governor has reported that there is no doubt that he has participated energetically in local politics and organised East Indian opposition to Caribbean Federation while the latter has
circulated material critical of the South African Government. In East and Central Africa, the transgressions of Mr. Pant, the Indian Commissioner there, and his Deputy, Mr. Rahman, were frequent and often blatant. Reports of these activities revealed a correct attitude in public but in private a consistent meddling of varying degree of importance in the political affairs of East and Central Africa and association with persons of positive and potentially subversive tendencies. Mr. Pant and his Deputy were reported as advising Africans against Central African Federation, actively supporting the Kenya African Union, having contact with Mau Mau leaders, financing African politicians, organising an African political newspaper, and attempting to organise new political parties. These activities became so dangerous that representations were made to the Government of India, which resulted first in the recall of Rahman in the middle of 1953, and then the recall of Pant early in 1954. The new Commissioner is a great improvement.

(b) Indian Attitude at the United Nations

15. Although there has been some abatement very recently, Indian representatives at the United Nations have been foremost in criticising the "evils of colonialism" and the "right" of dependent peoples to self-determination and independence, and they have fostered the idea that non-self-governing territories and those territories alone are characterised by denial of human rights, economic exploitation and race discrimination. They have also played a large part in attempts to establish the accountability of colonial powers to the United Nations for the administration of their non-self-governing territories, particularly as regards the development of self-government and the exercise of self-determination.

Conclusions and Recommendations

16.—(a) The best way of meeting the Indian problem and of reducing Indian interference in British colonial territories is through success in handling the wider problems of the plural societies of which the Indian communities form a part. The experience of Fiji, Mauritius and the West Indies shows the kind of difficulty which a policy of integration of resident Indian communities will necessarily involve, but there is no alternative policy. If we fail to retain the loyalty of the Indians settled in British colonial territories, we shall only aggravate the risk of interference from India. It should be the continued aim of our political and social policy to strengthen the link between Indian communities and the Government of their territory of residence and to strengthen their loyalty to the Crown.

(b) At the same time we should not aggravate the problem further by permitting any significant increase in the Asian population (other than the inevitable and formidable natural increase) through immigration. Efforts to improve East African legislation should be stepped up, and other Colonial Governments (e.g., in West Africa) should, if necessary, be advised to exercise a similar control to prevent the emergence of an Indian problem there also.

(c) A careful watch should be maintained upon the activities of Indian Commissioners in colonial territories.

(d) Every opportunity should be taken to inform and influence the Government of India and Indian opinion generally on colonial questions.

(e) Suitably firm and public action should be taken in the United Nations and elsewhere to counter particularly tendentious and offensive speeches and actions by Indian representatives.

A. L-B.
### ANNEX I

**INDIAN POPULATION OF COLONIAL TERRitories**

#### A. — AFRICAN

*East Africa (1954 Estimate): Central Africa (mid-1953 Estimate)*

<table>
<thead>
<tr>
<th>Territory</th>
<th>Indian</th>
<th>European</th>
<th>African</th>
<th>Arab</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>128,000</td>
<td>46,000</td>
<td>5,729,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Uganda</td>
<td>47,500</td>
<td>7,200</td>
<td>5,365,000</td>
<td>1,900</td>
</tr>
<tr>
<td>Tanganika</td>
<td>65,000</td>
<td>22,500</td>
<td>8,084,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Zanzibar</td>
<td>19,000</td>
<td>300</td>
<td>210,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Northern Rhodesia</td>
<td>3,500</td>
<td>50,000</td>
<td>1,960,000</td>
<td>...</td>
</tr>
<tr>
<td>Nyasaland</td>
<td>7,000</td>
<td>5,000</td>
<td>2,420,000</td>
<td>...</td>
</tr>
</tbody>
</table>

#### B. — NON-AFRICAN TERRitories

<table>
<thead>
<tr>
<th>Territory</th>
<th>Indians</th>
<th>Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aden Colony</td>
<td>16,900 (1953)</td>
<td>112,000</td>
</tr>
<tr>
<td>Fiji</td>
<td>154,803 (1953)</td>
<td>320,373</td>
</tr>
<tr>
<td>Mauritius</td>
<td>335,327 (1952)</td>
<td>501,415</td>
</tr>
<tr>
<td>British Guiana</td>
<td>215,260 (1953)</td>
<td>447,280</td>
</tr>
<tr>
<td>Trinidad</td>
<td>234,662 (1951)</td>
<td>651,048</td>
</tr>
<tr>
<td>Malaya</td>
<td>665,503 (1953)</td>
<td>5,705,952</td>
</tr>
<tr>
<td>Singapore</td>
<td>87,213 (1953)</td>
<td>1,120,777</td>
</tr>
</tbody>
</table>

### ANNEX II

**PERCENTAGE OF INDIANS IN MAIN RELIGIONS**

<table>
<thead>
<tr>
<th>Territory</th>
<th>Hindus</th>
<th>Moslems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>50</td>
<td>30</td>
</tr>
<tr>
<td>Uganda</td>
<td>61</td>
<td>33</td>
</tr>
<tr>
<td>Tanganika</td>
<td>35</td>
<td>59</td>
</tr>
<tr>
<td>Zanzibar</td>
<td>27</td>
<td>70</td>
</tr>
<tr>
<td>Northern Rhodesia</td>
<td>66</td>
<td>33</td>
</tr>
<tr>
<td>Nyasaland</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>Aden</td>
<td>23</td>
<td>77</td>
</tr>
<tr>
<td>Fiji</td>
<td>84</td>
<td>16</td>
</tr>
<tr>
<td>Mauritius</td>
<td>72</td>
<td>28</td>
</tr>
<tr>
<td>British Guiana</td>
<td>71</td>
<td>18</td>
</tr>
<tr>
<td>Trinidad</td>
<td>64</td>
<td>17</td>
</tr>
<tr>
<td>Singapore</td>
<td>70 (approx.)</td>
<td>20</td>
</tr>
<tr>
<td>Malaya</td>
<td>85 (approx.)</td>
<td>10</td>
</tr>
</tbody>
</table>
ANNEX III

NATURAL RATE OF INCREASE OF INDIAN POPULATIONS

East Africa

The natural rate of increase for Indians in East Africa is assumed to be approximately 2½ per cent. per annum, although some estimates have put it at 3 per cent. (i.e., the population could be expected to double itself within twenty-four years without further immigration).

Central Africa

The estimated annual increase in the small Asian population of Northern Rhodesia is 500; and in Nyasaland 800 (representing an increase of about 12 per cent. per annum).

Fiji

The annual rate of natural increase is about 3.8 per cent. in the case of Indians, as compared with 2.5 per cent. in the case of Fijians (the present total of 139,373 Indians comparing with the figure of 85,000 in 1936).

Mauritius

The present proportion of the population which is of Indian stock is 66.9 per cent. The figures of the last forty years indicate that the proportion is not increasing very markedly, and it is estimated that in 1958 it will only have reached 69 per cent.

British Guiana

The rate of increase is 3.5 per cent. as compared with 2.2 per cent. for other races. This means that if the rate continues, the East Indian population will double itself in twenty years.

Trinidad

If the present rate of increase continues the East Indian population will overtake the total of other races in approximately forty years from now.

ANNEX IV

ASIAN (PERMANENT) IMMIGRATION INTO EAST AND CENTRAL AFRICA

<table>
<thead>
<tr>
<th>Country</th>
<th>1951</th>
<th>1952</th>
<th>1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>4,208</td>
<td>4,286</td>
<td>3,749</td>
</tr>
<tr>
<td>Uganda</td>
<td>1,486</td>
<td>1,615</td>
<td>2,296</td>
</tr>
<tr>
<td>Tanganyika</td>
<td>2,387</td>
<td>3,127</td>
<td>3,735</td>
</tr>
<tr>
<td>Northern Rhodesia</td>
<td>?</td>
<td>310</td>
<td>658</td>
</tr>
<tr>
<td>Nyasaland</td>
<td>?</td>
<td>382</td>
<td>375</td>
</tr>
</tbody>
</table>
SECRET

C.\(55\) 11

19th January, 1955

CABINET

THE REPORT OF THE ESTIMATES COMMITTEE
ON THE FOREIGN SERVICE

Memorandum by the Financial Secretary, Treasury

The Seventh Report of the Estimates Committee on the Foreign Service was published on 10th November, 1954, and, in the House on 13th December, the Foreign Secretary said: "I have read this Report, to which I will in due course be issuing a Departmental reply ....... In consultation with my right honourable Friend the Chancellor of the Exchequer and my honourable Friend the Minister of Works, I am having an immediate examination made of the practicability of the recommendations made by the Select Committee and I will inform the House as soon as possible".

2. On 22nd December (C.\(55\) 91st Conclusions, Minute 2), the Cabinet approved the appointment of a Committee, of which I was made Chairman, to examine the proposals in the Report. We are now engaged on this, and as two issues have emerged which, if not decided at an early stage, might cause delay later, the Committee have asked me to refer them to the Cabinet.

3. The Estimates Committee made, in all, eight recommendations (set out in the Annex to this paper). In the course of their Report they also commented on the size and emoluments of the Foreign Service, without making any specific recommendations thereon, other than that there should be an independent inquiry into the Foreign Service (Recommendation 5 in the Annex).

4. We feel no doubt that a reply must be made to all these recommendations and comments. The question is whether there should be a Departmental reply to the Estimates Committee (the normal procedure) and also an announcement to the House by the Foreign Secretary on the practicability of the recommendations, or alternatively a White Paper laid before both Houses.

5. A similar question arose a year ago in connection with a report by the Estimates Committee on Civil Defence. In that case, it was contended that to reply by a White Paper was open to objection as contrary to practice, and also as implying that the Estimates Committee were entitled to deal with general issues of policy. In the event, the Home Secretary referred to some urgent matters arising from the report in a written Parliamentary answer, and later communicated his more detailed views to the Estimates Committee in a memorandum which was subsequently published by the Committee in the normal course.
PUBLIC RECORD OFFICE

Reference.
CAB 1291/73

ALL EVEN NUMBERS BETWEEN

Folios 104 - 126

ARE BLANK AND HAVE NOT BEEN COPIED
6. The substance of the reply will not differ greatly, whether it is submitted by way of a memorandum addressed to the Estimates Committee or by a White Paper, but to know which form the reply should take would assist us in drafting our report to the Cabinet, and would probably save time later. We have still a good deal to do in examining the report and deciding what we recommend should be done about the proposals and comments in it. We can hardly be ready to report to the Cabinet in time for a comprehensive reply to be submitted to Parliament in the week it re-assembles, but we recognise that such a reply should not long be delayed.

7. If the Government wish to publish a comprehensive reply at an early date, probably it can only be done in a White Paper. The reason is that the new Estimates Committee has not yet been appointed. A memorandum cannot be communicated to that Committee until it exists; and, when the Committee has been appointed and has elected its Chairman, it would rest with the Committee, and not with the Government, to arrange for the presentation and publication of the Government's reply. The reply might therefore not be published for some weeks. That is the case in favour of a reply by means of a White Paper, which could be published as soon as it was ready. At the same time we feel bound to bring to the attention of the Cabinet the objections indicated in paragraph 5 above.

8. A question of a different character arises on Recommendation 4 in the Annex, namely, that "urgent consideration should be given by the House of Commons to the way in which proper supervision is exercised by its Committees over the ever-increasing expenditure authorised by Parliament to be incurred in foreign territories". This is a subject to which a good deal of attention has been paid in the past. Indeed, it is in line with some remarks made by the 1950/51 Estimates Committee in an earlier report on the Foreign Service. It would be of assistance to know whether the Cabinet would like us to include in our report some consideration of this matter (although it goes much wider than the other issues raised by the Report which we are instructed to examine) or whether the Cabinet would prefer to deal with it in some other way.

9. We, therefore, seek the guidance of the Cabinet on:

(a) the manner in which the reply to the Report of the Estimates Committee should be made;

(b) whether we should include in our examination the wider issue referred to in paragraph 8 above.

H.B.

Treasury Chambers, S.W.1.

18th January, 1955.
ANNEX

RECOMMENDATIONS IN THE SEVENTH REPORT OF THE
ESTIMATES COMMITTEE (1953/54)

1. The Treasury should investigate the staff position at Bonn without further delay.

2. The Foreign Office should examine the system of educational allowances used by Imperial Chemical Industries.

3. The next inspection of the Foreign Office should be carried out by the Organisation and Methods Division of the Treasury.

4. Urgent consideration should be given by the House to the way in which proper supervision can be exercised by its Committees over the ever-increasing expenditure authorised by Parliament to be incurred in foreign territories.

5. The time has come for an independent enquiry to be made into the Foreign Service to see how it is working and whether it is properly devised for the functions it is expected to perform.

6. Insufficient vigour has been shown in dealing with the problem of avoiding fantastic rents by buying houses.

7. There is a case for examining a system under which all entertainment expenses would have to be separately accounted for.

8. Need for reduction in the amount of overtime worked in the Foreign Office.
19th January, 1955

THE FINANCES OF THE RAILWAY MODERNISATION PLAN

Memorandum by the Chancellor of the Exchequer

I should like to draw the attention of my colleagues to some of the financial implications of the plan.

Subject to paragraph 6 below, I reserve my opinion on the merits of the plan.

2. The amount of new money called for by the plan is £800 millions. The larger figure of £1,200 millions, which catches the eye, includes in addition the sum of £400 millions which will be found by the railways themselves out of their current receipts from amounts set aside in the normal way for replacements, depreciation and so forth. The actual amount needed from outside the undertakings is the lower figure of £800 millions.

3. This £800 millions is not money from the Exchequer, and it will not have to be found all at once. This money will be raised on Government guarantee from the Market, in instalments as needed, over a period of 10-15 years. It will be raised in much the same way as money for gas, electricity, etc.

4. What we are therefore faced with is demands on the capital market for something between £55 millions and £80 millions a year over a period of time. This is, of course, a substantial amount but it is not overwhelming. Even in the next year or two, the British Transport Commission (B.T.C.) may have to find something of the order of £50 millions a year on its current requirements. To get things into scale, I would recall that, in terms of resources, total investment in 1954/55 in Great Britain is expected to come to about £2,400 millions.

5. So it will be seen that money for the railways does not come from the Budget. Nevertheless, for two reasons, the taxpayer is interested. In the first place, although the B.T.C. gets its money by the sale of Transport Stock through the normal machinery of the City, these borrowings are under Government guarantee. Second, a continuing deficit on the railways, if it goes on long enough, is likely at some stage to involve the taxpayer more directly than at present. We must address ourselves to the question of whether the plan will make the railways solvent.

6. The proposals put forward in the plan do look forward to a situation in which the railways expect to be able to make ends meet. There is a net annual improvement in the position of the railways at the...
end of 15 years to the tune of £30 millions. It is against this that we must balance the present running annual deficiency. The figure assumed for this in the report is £25 millions, so on that we have £5 millions in hand. Of course, this assumes that the figures are conservatively calculated and that the running annual deficit before the plan begins to operate can be kept within a limit of some £25 millions a year.

7. Thus, while on the figures it is possible to take a sanguine and constructive view, it is clear that we must be sure that the plan does really result in greater operating efficiency and more economical use of labour. It is on these aspects that I shall have something to say.

R.A.B.

Treasury Chambers, S.W.1

A copy of the plan on the modernisation and re-equipment of British Railways, which has been submitted to me by the British Transport Commission (B.T.C.) has been circulated with E.A. (55) 8, which itself contains an outline of the Commission's proposals.

2. Some difficult questions arise on the handling of this subject, together with the related question of the recent railway wages settlement, and the Economic Policy Committee have given preliminary consideration both to the question of tactics and to the substance of the British Transport Commission's plan.

3. The main elements are:

   (a) The Final Report of the Court of Inquiry into the recent wage dispute will not now be available until the beginning of next week.

   (b) The Chairman of the B.T.C. is pressing for early publication of the modernisation plan.

   (c) The need for an enquiry into railway manpower efficiency.

4. Under present Parliamentary arrangements the Second Reading of the British Transport Commission (Borrowing Powers) Bill is down to be taken as last Order on Tuesday, 25th January. In addition, a number of Parliamentary Questions are expected on both the recent railway wages settlement and on the future position of British Railways as soon as Parliament re-assembles.

5. Though I attached to E.A. (55) 8 the draft of a statement on modernisation and other aspects of the railway problem, I have come to the conclusion that it would be very difficult to deal adequately with these very large subjects in a Parliamentary statement.

6. As the House is likely also to expect a pretty full statement on the railway settlement and the Reports of the Court of Inquiry, which are likely to refer to the question of efficiency, it is for consideration whether all these matters could not be more satisfactorily dealt with in the course of debate. The Parliamentary Secretary, Ministry of Labour will circulate a memorandum on these matters to the Cabinet next week as soon as he has had time to study the Final Report of the Court of Inquiry.
7. If the Cabinet decide that this is the appropriate method of dealing with these matters, there is the question of the timing of such a debate. Both the Minister of Labour and I are likely to have to answer Questions orally during the week in which Parliament re-assembles, and so far as I am concerned there may be difficulty in holding back full answers for more than a week. Similarly, once the modernisation plan has been published there will be pressure for an indication of the Government’s attitude towards it, and advantage may be lost by any considerable delay in giving such indication.

8. Under Section 4(2) of the Transport Act, 1947, it is not necessary for the Government to approve the detail of proposals of this sort, which are the responsibility of the Commission. If my colleagues agree I would suggest that all that it is necessary to do is to indicate the Government’s view that the Commission in their plan are proposing to act on the right lines, and to add that on a number of questions the Government will seek further information from the Commission. These include the long-term effects on manpower, the impact of the proposals on national fuel policy, and on the engineering industry, but it would be much better not to raise these questions in debate.

9. Tentatively, I put forward for consideration the following timetable:

(i) Monday, 24th January, publication of British Transport Commission’s modernisation and re-equipment plan.

(ii) Answers to Parliamentary Questions on resumption of Parliament to the effect that full statements will be made in an early debate.

(iii) Postponement of British Transport Commission (Borrowing Powers) Bill.

(iv) Early debate either late in the first week or early in the following week if it should be possible for the Leader of the House and Chief Whip to make the necessary rearrangement of business.

10. The Parliamentary Secretary, Ministry of Labour has seen this paper and agrees with the action proposed.

J.A.B.-C.

Ministry of Transport and Civil Aviation, W.1.

18th January, 1955.
CABINET

JAPAN AND THE GENERAL AGREEMENT ON TARIFFS AND TRADE

Memorandum by the President of the Board of Trade

The choices before us

The Official Committee on the Review of the General Agreement on Tariffs and Trade (G.A.T.T.) have in E.A. (55) 4 set out with admirable lucidity a problem of considerable political and economic difficulty which we have to resolve. We have to resolve it now because if we are to admit Japan to G.A.T.T. we need to try to obtain in the present negotiations some kind of a safeguard against calamity, and in negotiating for such a safeguard we should have to say that if we got it we would let her in.

2. Japanese accession to the G.A.T.T. raises substantial difficulties whichever way we deal with it. Abroad we risk worsening our position at a critical point in the development of our Far Eastern policy. At home the threat to a number of British industries, particularly in Lancashire where the import of grey cloth already causes bitter controversy, is a real one. The problem also impinges at many points upon our commercial relations with other members of the Commonwealth. The political dangers are great and the economic ones are not inconsiderable.

3. Broadly, there are three courses we can take:

(i) To refuse to accept the obligations of the G.A.T.T. towards Japan. Under this course we should offer what we could to soften the blow, but we would not pledge ourselves to accept her in the future or within some particular period, nor would we promise to let in Japanese goods more freely.

(ii) To refuse to accept Japan but to give one or some or all of the things that are suggested in the official papers. These vary from making an immediate move to let in more Japanese goods into the United Kingdom, to promising to let Japan in at some specified date and include proposals to state publicly how we could deal with the tariff problems.

(iii) To admit Japan now, getting certain safeguards in the G.A.T.T., the rules of which are currently under negotiation and taking such other measures as we can to assist Lancashire.

I propose to deal with these courses in turn.
The dangers of Japanese accession

4. I will not repeat the arguments in the official paper. For three years I have been in close contact with this problem and I am certainly in a good position to judge the political repercussions here at home of any action which we take. The formal entry of Japan into G.A.T.T. is timed for June and the commercial results of any action which we take will be beginning to be felt about the autumn. This timing is not particularly convenient.

5. Let me summarise some of the results if we undertake G.A.T.T obligations towards Japan: they follow whether we get any safeguards against ultimate calamity or not. Japanese grey cloth and finished piece goods, apparel, pottery, sewing machines, low-priced cameras, buttons, canned pilchards, would sooner or later and probably sooner rather than later have to be admitted much more freely to the United Kingdom market. Long before actual unemployment and other circumstances developed which might justify the use of any escape clause, the results of action of this kind would in my judgment bring about a political situation of quite considerable difficulty. My colleagues may perhaps recall the discussions inside and outside the House of Commons which followed the signing of the last Anglo-Japanese payments agreement. That agreement strictly limited Japanese imports in many cases to minute quantities and would be said to be as far removed from full G.A.T.T. obligations as a policy of high protection is from free trade.

6. Moreover, this political situation could have two grave consequences. It might whip up such anti-Japanese feeling here that we should risk losing some of the foreign policy advantages which we were hoping to gain. Secondly, it might well put in jeopardy, both in the House and in the country, the policy on wider trade and payments which the Chancellor of the Exchequer and I - with the support hitherto of industry - have been pursuing.

7. There is another matter which I should stress - I cannot in existing circumstances give any undertaking to help these industries with a higher tariff. I will not go into the technical reasons which are admirably brought out in the official paper. I simply state the fact that, if we agree to accept G.A.T.T obligations to Japan, with or without any of the safeguards mentioned by officials, it means that most of these industries must, until we are ready to make really far-reaching changes in our tariff arrangements, face Japanese competition with no higher tariffs than they have to-day.

8. Finally, as the Commonwealth Secretary will be aware, the Governments of Australia, New Zealand and South Africa will almost certainly invoke Article XXXV in any event. If we accept G.A.T.T obligations to Japan (even with whatever safeguards we may be able to secure) we shall be all the more criticised because of the divergence of our policy from that of the three Dominions. Moreover, we know that these countries are likely to reduce progressively their discrimination against Japan, to the disadvantage of our trade; and we shall be blamed for having given them the lead in this direction.

9. So much can be said for refusing to undertake the obligations of the G.A.T.T. towards Japan. Economic self-interest and political advantage alike tend to push us in this direction.
The middle course

10. The middle of the road is often attractive but it can be a dangerous place. I do not like the middle courses embodied in paragraphs 55-59 of E.A. (55) 4 and paragraph 7 of E.A. (55) 5. They involve in varying degrees telling the Japanese that we cannot at this stage accept them as members of the G.A.T.T. and at the same time telling British industry that we intend to do so in the future. This seems to me to ensure for us the worst of all worlds.

I think I would therefore summarise my objections to any of these middle courses as follows:

(a) They neither satisfy the Japanese nor offer security to British industry.

(b) The safeguards which involve any amendment of the rules of the G.A.T.T. almost certainly cannot be got on any other basis than that we intend to bring Japan in now. A pledge for the future is therefore worse in as much as it involves promising to bring Japan in without the amendment of the G.A.T.T. rules which we regard and have stated to be necessary.

(c) The real purpose underlying the delayed entry approach as a possibility suggested by officials was that we could say that during that period we would straighten out our tariff problem. This straightening out would in practice involve the steady elimination of free entry for Commonwealth goods. Whatever else we say I cannot think that a general statement to this effect and in this particular context is practical politics at the moment.

(d) Apart from the tariff question, there is no safeguard which we can get in the next three years which we could not get just as effectively in the next six months.

(e) At the next election it will, if we adopt these courses, be part of our policy to admit Japan into the G.A.T.T. and our candidates will be attacked on this pledge. They will either be asked to vote against Japanese accession or to pledge themselves to terms which we shall never be able to achieve.

(f) We or our friends may be sitting here in three years' time and the problem is unlikely to look any easier then.

(g) Theory is often far harder to defend than practice. The theoretical terrors of Japanese accession are, I have always thought, worse than the reality is likely to be. To seek to defend the theoretical practice of accepting accession in the future is to invite debate on a very treacherous, complex and controversial ground.

(h) I dislike flinching from a decision of this character. We may get some credit for refusing to accept the obligations of the G.A.T.T. towards Japan. We may even get some respect for welcoming the Japanese into the G.A.T.T. In effect to do neither is to lay ourselves open to the charge of fumbling in the midst of these events.
12. I accordingly reject the middle course and consider in the remaining paragraphs the third course - which is to admit Japan into the G.A.T.T. with safeguards.

13. The acceptance by the United Kingdom of Japan into the G.A.T.T. at this stage is a dangerous decision which could only be justified by overriding considerations of foreign policy. A formidable political attack would be launched upon us and we would need to do all we could to arm ourselves and our supporters to meet it. Here is the way I would propose that it could be attempted.

14. First we must get a safeguard in the G.A.T.T. which would enable us to take action on our own initiative in the event of disruptive competition causing us serious injury. To admit Japan into the G.A.T.T. without any such safeguard does seem to be politically rash. An amendment to Article XIX would only be a kind of long-stop device but it would help in fact and in presentation. We would need, in order to get it supported by Japan and by the U.S.A., to say firmly that if we got it, and subject to certain other safeguards which I mention below, we should admit Japan under the existing procedures of the Agreement.

15. Before accepting G.A.T.T. obligations towards Japan we should seek, and I believe could get, from the Japanese their concurrence in certain heads of agreement in a commercial treaty which might cover the important shipping clause and perhaps arrangements about the vexed question of copying.

16. We should tell the Japanese that, while accepting the full letter of the amended G.A.T.T. rules towards her, we did not intend in existing circumstances to make any abrupt alteration in our trading arrangements with her. We should proceed in the ordinary way with the re-negotiation of the Japanese Sterling Payments Agreement. Since the Japanese have substantial and growing sterling balances we should say that there is no reason whatever this year for any increase in the United Kingdom quotas which would indeed be hard to justify here against such a background.

17. Nothing that we could say or do, however, would meet the argument from critics about the dangers which we would be in if Japan was in the G.A.T.T. under conditions of convertibility. In the interim period we could probably rely upon some discrimination in quota and throughout we could fall back in the last resort on the amended Article XIX, a defence which would certainly be denied to us if the middle course were adopted.

18. On the tariff question I frankly admit my difficulties. Either the entry of Japan into the G.A.T.T., or the promise to do so, would greatly increase the volume of criticism we are already experiencing over imports of grey cloth and would precipitate a debate in which it is probable that the nature of our tariff difficulties would be fully exposed. In one way or another we will, I think, inevitably be forced, once a decision to admit Japan into the G.A.T.T. has been announced, to start dismantling a large part of the system of Commonwealth free entry which at present, through the operation of the no-new-preference rule, inhibits tariff changes.
Conclusion

19. I have naturally thought deeply as to what to advise my colleagues to do. My advice is this. I would prefer to refrain from extending G.A.T.T. obligations to Japan and not at this stage make statements of policy about admitting her in future, or about the free admission of Japanese goods. Failing this, I would move right over to the proposals outlined in paragraphs 12 to 18. I judge that we would be wiser not to admit Japan but if we are to do so, I would prefer to do it now and defend it rather than propose it as part of our election policy and programme.

P.T.

Board of Trade, S.W.1.

18th January, 1955.
CABINET

THE PRINCE OF HANOVER'S CLAIM TO BRITISH NATIONALITY

MEMORANDUM BY THE SECRETARY OF STATE FOR THE HOME DEPARTMENT
AND MINISTER FOR WELSH AFFAIRS

The Prime Minister has asked me to circulate a memorandum on this matter.

2. The Prince of Hanover is the great-great-grandson of the Duke of Cumberland, son of King George III, who became King of Hanover on the death of King William IV. The Prince would now be Duke of Cumberland but for the fact that his paternal grandfather, the third Duke of Cumberland, was deprived of his dukedom under the Titles Deprivation Act, 1917, on the ground that he had adhered to the King's enemies during the First World War. The Prince, whose maternal grandfather was the late German Kaiser Wilhelm II, is a German citizen and is understood to have served in the German Forces during the Second World War.

3. He claims British nationality by reason of his descent from Princess Sophia, Electress of Hanover, and by virtue of an Act passed in 1705 entitled "An Act for the Naturalization of the Most Excellent Princess Sophia Electress and Dutchess Dowager of Hanover and the Issue of her Body." This Act provided that Princess Sophia was "the issue of her body and all persons lineally descending from her born or hereafter to be born" (except Roman Catholics) should be deemed to be natural born British subjects. The Act of 1705 was repealed by the British Nationality Act, 1948, but the repeal did not affect the British nationality of any person who possessed it before the Act of 1948 took effect.

4. His claim depends on the proper interpretation of the Act of 1705. Prima facie his claim is a good one, the Act may be open to the interpretation that it is confined to persons who were born during the lifetime of Queen Anne. Neither the Home Office nor the Foreign Office is aware of any other claim to British nationality having been made under that Act, but it would appear that, if the Prince's claim is adjudged valid, the non-Roman Catholic members of most of the Royal or former Royal families of Europe are British subjects.

5. In 1952 the Prince of Hanover and his late father who died in 1953 applied to my predecessor for certificates of British citizenship under section 25 of the British Nationality Act, 1948. That section empowers the Home Secretary to give a certificate establishing British citizenship in an individual case in which a doubt exists. It has always been understood by the Home Office that the purpose of this power, which has been in the law for many years, is to enable the Secretary of State, where the case for British nationality is clear on merits, to remove some specific difficulty, e.g., inability to prove strictly a relevant fact. Certificates under this section are issued sparingly.

6. In the present case the claim depended upon the interpretation of an old statute affecting the national status of large numbers of people and appeared for that reason to be more suitable for resolution by the Courts than by administrative action. Furthermore, it could hardly be expected that the exercise of the Home Secretary's discretion in favour of the Prince of Hanover and his late father, whose
interests and background were predominantly German, would have been well received or understood by public opinion. My predecessor accordingly decided that he would not be justified in issuing certificates of citizenship under section 25 of the British Nationality Act, 1948.

7. The Prince subsequently began proceedings in the Chancery Division of the High Court in which he claims a declaration that he is a British subject by virtue of the Act of 1705. The Attorney-General, who is the nominal defendant to the action, will bring to the notice of the Court all relevant considerations. This seems to be the best way to get the question settled, which is primarily one of Law. If I were to grant a certificate of doubt in this case, I think that it would be impossible not to grant as an act of executive authority a similar certificate in any case where the applicant—regardless of his or her ties with this country or of his or her record and associations—could prove lineal descent from the Electress Sophia.

G. LL-G.

Home Office, S.W. 1,
MEMORANDUM BY THE CHANCELLOR OF THE EXCHEQUER

In 1952, the Master of the Rolls and I appointed a committee under the chairmanship of Sir James Grigg to review the arrangements for the preservation of the records of Government Departments in England and Wales. The existing statutory provisions date mainly from 1877 and much has happened since then in the size and shape of Government Departments. Records from the earliest times already in the Public Record Office fill 40 miles of shelves. The process of creating fresh material goes on at an ever increasing rate. Only a proportion need be kept, but mere bulk greatly complicates the process of deciding what should be preserved and what destroyed. Records in Government Departments, not yet so transferred, but due for permanent preservation are estimated to occupy 120 miles of shelves.

2. The Grigg Report, published in July last (Cmd. 9163), recommended:

(a) a first review of papers 5 years after they had passed out of active use—
    all papers not then required for departmental purposes would be
    destroyed,

(b) a second review after 25 years, at which all papers considered to be of no
    further administrative or historical importance should be destroyed.

The significant proposal is that the test at the first review would be the simple one, whether the papers were still required for departmental purposes. The Committee, which included three historians and a University Librarian, were satisfied that the loss of useful historical material would be less than under any other system which would be practicable.

3. Departments generally are in favour of the Committee's proposals, though one or two modifications of procedure are proposed. These should present no difficulty. I, therefore, ask my colleagues to agree to accept the general principle of reviews of records after 5 and 25 years, and of the destruction of unwanted papers on the criteria recommended. The exact application of these principles would be settled by the Public Record Office with each Department.

4. The Committee also recommended that the Public Record Office should normally be put in possession of records after 25 years. Some Departments consider that certain records are best kept permanently in the Department. I recommend central custody of records, except where the Public Record Office and the Department agree to the contrary.

5. The Committee recommended that as a general rule departmental records should be open to public inspection after 50 years. This is linked with the date by which Cabinet records should be made available. The Secretary to the Cabinet has already circulated a memorandum on this (C. (54) 265). There should be no difficulty about opening ordinary departmental records to public inspection after 50 years, subject to a right in Departments to deny access to certain records for a longer period, but there will be some references to Cabinet papers and decisions on departmental files, so that a decision on this point is linked with the decision about access to Cabinet records.
6. In order to facilitate closer co-ordination of policy and practice between the Public Record Office and Departments, the Committee recommended that the Public Record Office should be responsible to a Minister of the Crown instead of to the Master of the Rolls. I have discussed this with the Master of the Rolls and some of my colleagues, and subsequently with the Prime Minister, who has decided that the Lord Chancellor should be the responsible Minister. In announcing our decision we should pay tribute to the valuable work that has been done in this field by successive Masters of the Rolls. The present Master of the Rolls, although burdened with increasingly heavy judicial duties, has never spared himself in supervising the work of the Public Record Office.

7. The Grigg Committee recommended some strengthening of the Public Record Office and of the staffs concerned with records in the Departments. I have in mind to accept the Committee’s recommendations and they will be put into effect as opportunity permits. Special arrangements may have to be made to enable Departments to overtake accumulated arrears of records.

8. I therefore recommend that we should—

(i) accept the proposals made by the Grigg Committee, subject to the minor modifications indicated above;
(ii) announce our acceptance of them;
(iii) in due course introduce legislation to give effect to those measures which involve amendment of the Public Record Office Acts.

R. A. B.

Treasury Chambers, S.W. 1,
CABINET

JAPAN AND THE GENERAL AGREEMENT ON TARIFFS AND TRADE

NOTE BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

I circulate to my colleagues herewith a record of a conversation with Mr. Godfrey Nicholson, M.P., and Mr. John Edwards, M.P., in which they gave Lord Reading an account of their impressions of Japan. They were the leaders of the Parliamentary delegation which visited Japan recently.

21st January, 1955

Mr. Godfrey Nicholson, M.P., and Mr. John Edwards, M.P., came to see Lord Reading this afternoon in order to give him an account of the impressions they gained in Japan with the Parliamentary Delegation. Both of them had come back impressed with the need for the United Kingdom to find some means of expressing in a striking way her desire for friendship and co-operation with Japan. They felt that the Japanese were eagerly hoping for some such sign, and that if it could be given, great attention would be paid to it and it might have a decisive effect in helping to keep Japan firmly aligned with the West.

In particular, they both considered that the one gesture by this country which would help more than anything else would be an early decision on our part to admit Japan to the G.A.T.T. The value of this gesture would be considerably diminished if it were tied up too closely with conditions which might be regarded by the Japanese as making her in effect only a second-class member. Its value would be enhanced if it could be combined in some way with an offer to conclude a general Commercial Treaty with Japan, to which the Japanese attached importance for its symbolic as well as its practical importance.

Mr. Nicholson and Mr. Edwards did not deny that certain elements of unfair commercial competition existed in Japan and were to a large extent inherent in the whole structure of Japanese trade and industry. But they thought that these elements were likely to become more rather than less pronounced with the passage of time and that therefore it might be less difficult politically for Her Majesty's Government to take the necessary decision now than to postpone it for a year or two.


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PUBLIC RECORD OFFICE

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RAILWAY WAGES DISPUTE

Note by the Secretary of the Cabinet

I circulate, for the information of the Cabinet, the final Report of the Court of Inquiry into the railway wages dispute. It is intended that this Report shall be published as a Command paper early next week.

The Report is to be considered at the meeting of the Cabinet on Monday, 24th January.

(Signed) NORMAN BROOK

Cabinet Office, S.W.1.

To the Right Honourable
THE MINISTER OF LABOUR AND NATIONAL SERVICE

Sir,

1. We were appointed by you on 23rd December, 1954, under the provisions of the Industrial Courts Act, 1919, with the following terms of reference:

"To inquire into the causes and circumstances of the dispute between the British Transport Commission and workmen in the employment of the Commission who are members of the National Union of Railwaymen, arising out of a claim by the Union for increased wages, and to report."

2. In view of the urgency of the matter we submitted to you on 3rd January an Interim Report setting out our conclusions on the major issues involved. In accordance with the terms of our appointment, we now have the honour to submit the following Final Report.

Introductory

3. We held a preliminary meeting in private on 29th December, 1954, and public sittings in London on 30th and 31st December, to hear the submissions of the parties and of other interested bodies. We also met in private to consider our reports.

4. The case for the National Union of Railwaymen was presented by Mr. J. Campbell (General Secretary) and that for the British Transport Commission by Mr. W. P. Allen, C.H.B. (Chief of Establishment and Staff). Statements were also made on behalf of the Associated Society of Locomotive Engineers and Firemen by Mr. J. G. Baty (General Secretary) and on behalf of the Transport Salaried Staffs' Association by Mr. W. J. P. Webber (General Secretary).

BACKGROUND TO THE DISPUTE

5. The National Union of Railwaymen (N.U.R.) represents a wide range of railway employees, but the dispute before us was confined to those known as "conciliation staff"—that is, the non-salaried workers within the scope of the Machinery of Negotiation for Railway Staff described in paragraph 7 below, including the locomotive and traffic staff, those engaged in signal and telecommunications work, and those employed in the handling of baggage, goods, and rolling stock. The precise numbers and details of both salaried and conciliation staff within the scope of this Machinery, for the week ending 27th March, 1954, are set out in Appendix I. Of the conciliation staff, the locomotive grades are represented jointly by the Associated Society of Locomotive Engineers and Firemen (A.S.L.E.F.), which has the majority of members, and the N.U.R., and the other sections (Traffic, Permanent Way, Goods, and Cartage, etc.) by the N.U.R. alone. The total number of conciliation staff as stated to us by the British Transport Commission is about 350,000.

6. The Machinery also covers about 90,000 salaried staff whose representation is shared between the Transport Salaried Staffs' Association (T.S.S.S.) and the N.U.R., with the former having the majority of members. We were informed that negotiations about the salaries of these grades were proceeding between the two Unions and the Commission and they were therefore agreed to be outside the scope of our inquiry.

7. The present Machinery of Negotiation for Railway Staff was set up under an Agreement of 1935 between the Railway Companies on the one hand and, on the other, the N.U.R., the A.S.L.E.F., and the T.S.S.S. (then known as the Railway Clerks' Association) and is still in force as between these three Unions and the British Transport Commission. At the national level the Machinery consists of three stages:

(a) Discussions between the Union or Unions concerned and the Railways Staff Conference. If there is failure to agree either side may refer to

(b) the Railway Staff National Council, which is a joint body consisting of representatives of the Commission and of all three Railway Unions. Failing settlement, a major matter may be referred on agreed terms of reference to

(c) the
the Railway Staff National Tribunal, which consists of an independent Chairman and two members not connected with the railway industry. The Chairman is appointed by agreement, or failing agreement, by the Minister of Labour, and the other two members are nominated respectively by the Commission and the Union or Unions concerned. The awards of the Tribunal are not necessarily binding upon the parties.

8. Clause 18 of the 1935 Agreement provides as follows:

"In no circumstances shall there be any withdrawal of labour or any attempt on the part of the employees to hamper the proper working of the Railway, until any matter under dispute has been submitted through the proper channels to the higher Management or, if such matter is within the scope of the Machinery of Negotiation, until the provisions thereof have been fully utilised."

HISTORY OF THE DISPUTE

The Original Claim of July 1953

For a proper understanding of the events which led to our appointment as a Court of Inquiry it is necessary to go back to 20th July, 1953, when the three Railway Unions presented a joint claim for an increase of 15 per cent. in the wages of both the salaried and conciliation grades. This claim was based mainly upon the cost of living, comparison with rates in outside industries and recognition of increased efficiency and productivity. Negotiations on the claim failed to reach a settlement and the matter was ultimately referred to the Railway Staff National Tribunal, through the appropriate machinery.

The Agreement of December 1953

10. On 3rd December, 1953, the Tribunal awarded an increase of 4s. in the weekly wage of all railwaymen, with proportionate increases for women and juniors. This Award (No. 15) was accepted by the Commission but was rejected by all three Unions, the A.S.L.F., and the N.U.R., threatening to withdraw the labour of their members as from 20th December unless the matter had been satisfactorily resolved. When subsequent meetings between the parties had failed to reach agreement you held further discussions with them and in the result an agreement was reached on 16th December, 1953, in the following terms:

"(1) The British Transport Commission have confirmed their acceptance of the award of the Railway Staff National Tribunal for an increase in rates of pay of salaried and conciliation staff. They are ready to implement it.

(2) The British Transport Commission are prepared to examine with the Trade Unions their whole wage and salary structure. The British Transport Commission contemplates that this examination would be completely exhaustive, without conditions of any kind. Its purpose would be to correct anomalies and give added incentives (including differentials) in desirable cases; and to investigate all standard rates of pay.

(3) At the same time the British Transport Commission and the Unions agree to confer in order to evolve ways of increasing the efficiency of the railway organisation, not only by such adjustment of wages and salaries as may result from the above examination, but by all other appropriate means.

(4) Recognising that the comprehensive review of the whole wage and salary structure will necessarily take some considerable time and that the nature of the claims made by the Unions before the Railway Staff National Tribunal precluded the Tribunal from expressing itself on the question of the levels of the standard rates of pay, and after consultation with Her Majesty's Government, the British Transport Commission have given an assurance that, irrespective of the findings of the examination referred to in the arbitration, within two months from the operative date of the award there will be a further improvement on a percentage basis of the standard rates in operation of the Railway Staff National Tribunal Award No. 15."

Subsequent Negotiations

11. The further improvement of standard rates referred to in Clause (4) was implemented by an agreement dated 1st February, 1954, for a 6 per cent increase in wages and salaries to operate with effect from 24th January. This increase included the 4s. increase awarded under Clause (1). Meanwhile, at a meeting held on 22nd December, 1953, to discuss the review of the whole wage structure referred to in Clause (2), the Commission asked the Unions to submit proposals for a new wage structure for consideration. The three Unions submitted separate proposals which were discussed at a meeting on 12th January, when the Commission made it clear that it would first be necessary to agree upon the basic minimum wage (i.e., the wage payable to the adult male unskilled worker). There followed some months of negotiations on this point.
On 9th June, 1954, the Commission offered a basic minimum wage of 125s. rising to 127s. after 12 months' service (i.e. an increase of 6d. over the existing rate of 124s. 6d. and of 1s. 6d. for all those with one year's service or more). This offer was accepted by the M.U.K. as a basis for further discussions but it was not acceptable to the A.S.I.E.F. in respect of the grades in which they were interested. The A.S.I.E.F. therefore initiated separate negotiations in respect of locomotive grades, the M.U.K. later joining in on behalf of their own members in these grades. These negotiations were ultimately referred to the established conciliation machinery.

The Agreement of October 1954

Meanwhile the discussions arising out of the Commission's offer of 9th June, so far as relating to conciliation grades other than locomotive staff, continued between the Commission and the M.U.K. Agreement was finally reached on proposals which, together with an interim settlement for salaried staff, were formally agreed on 10th October, 1954, at a meeting between representatives of the Commission and of all three unions. The increases agreed for the conciliation grades ranged from the 6d. increase in the basic minimum wage already mentioned to 6a. 6d., and involved a few minor modifications in the wage structure of these grades. An agreed Note to which the new rates were appended set out the position in the following terms:

"Today's agreement is the culmination of negotiations arising out of the agreement made between the British Transport Commission and the Trade Unions at a meeting held, under the aegis of the Minister of Labour, on 16th December, 1953. There followed a summary of that agreement, which is quoted in full in paragraph 10 above."

"The improvements under clauses 1 and 4 of this Agreement were effective from 6th December, 1953, and 24th January, 1954, respectively, and those arising from today's Agreement will operate from Monday, 4th October, 1954. Postscript: Subject to ratification of date of operation by the M.U.K. Full details of the new rates of pay outside London are given in the accompanying statement. In London the adult rates are 3/- per week higher for wages grades and £10 per annum for salaried staff.

"In the case of Salaried Staff it is agreed that the settlement is an interim one and that there should be a thorough review of the salary structure including the basis of classification.

"The A.S.I.E.F. raised no objection to the revision of the agreements affected by the above.

"(Footplate grades are excluded for the reason that the Unions' claims on their behalf are being referred to the Railway Staff National Tribunal)."

The date of operation of the agreement (4th October) was ratified by the N.U.K. on 12th October, 1954, and the new rates of pay were thereupon implemented.

The N.U.K.'s Rejection of the Agreement.

On 11th November, 1954, the N.U.K. wrote to the Commission informing them that the settlement of 8th October was unacceptable to the membership of the Union as regards conciliation grades and seeking a meeting with a view to reopening discussions on the basis of the original claim of July, 1953.

The Railway Staff National Tribunal’s Award (No. 16) for Locomotive Grades

Four days later, i.e. on 15th November, the Railway Staff National Tribunal issued its Award (No. 16) in respect of locomotive grades, having heard the parties on 4th and 5th November. The Tribunal recommended increases in wages for those grades ranging from 9s. 1d. to 22s. 6d. over the rates applicable prior to 6th December, 1953. The proposed basic minimum rate (that for an engine cleaner) was raised to 127s., rising to 129s. after 12 months' service, i.e. an increase of 6a. 6d. over the existing rate. This award was accepted by all parties, including the M.U.K., on or about 24th November, 1954. A full statement of the pre-December, 1953, rates, the Commission's offer and the Tribunal's Award is set out in Appendix II.

Further Discussions

Meanwhile, faced with the rejection by the N.U.K. of the Agreement of 8th October, 1954, the British Transport Commission, at a meeting held between
The Commission repeated the views expressed by them on 13th November and informed that they would be prepared to receive and consider any further wage application as a fresh submission to be dealt with on its merits and that if the Union were not satisfied it would be open to them to pursue the matter through the normal negotiating machinery.

N.U.R.'s Approach to the Minister of Transport and Civil Aviation.

7. The N.U.R. Executive Committee next decided to approach the Minister of Transport and Civil Aviation. The Minister received a deputation from the Union on 15th December, 1954, and replied by letter on 20th December. He first quoted a statement by the Commission of their position which after outlining the recent course of events continued:

"In this situation the attitude of the Commission towards the claim now put forward by the N.U.R. is that they would be prepared to discuss through the appropriate machinery, and with all speed, any particular cases where unreasonably thought to have been created by comparison with the new level of wages for the footplate staff. However, the new N.U.R. claim goes much further than this and the Commission consider it to be essential that reference should be made to the R.S.N.T. on this claim on its merits in order that the conclusions of the body which produced a settlement for a part of the wages grades should also be available for the remainder. The Commission are convinced that a firm settlement for all the railway wages grades concerned can only be reached in this way."

"If the R.S.N.T. should conclude that the N.U.R. claim should be met in whole or in part the Minister proposes to consult with the British Transport Commission on any consequences which acceptance of such a recommendation might entail in relation to their statutory duties under the Transport Act, 1954."

10. The Minister's letter then went on:

"The Government are concerned to secure an improvement in the position of British Railways. They believe that such an improvement can be expected from the combined effect of modernisation of the Commission's plant and equipment, the greater freedom in charging provided by the Transport Act, 1953, and the appropriate redeployment of labour on the railways. There is no reason to doubt that by a combination of those measures, and with the goodwill and co-operation of all concerned, the British Transport Commission will be able greatly to improve the prospects of their undertaking."

"After making full and careful examination both of the Commission's statement and of the view of the National Union of Railwaymen, the Government consider that, in accordance with the normal procedure of negotiation and arbitration, they could not intervene without dealing a serious blow to the negotiating machinery in this industry and unreasonably interfering with the industry's own machinery. The Government could not properly substitute themselves for the British Transport Commission as parties to the wage negotiations. They are strongly of the opinion that the National Union of Railwaymen should take part in further discussions with the British Transport Commission in order to see whether agreement cannot be reached. However, that in the event of agreement not being reached, the right course for the National Union of Railwaymen is to take their claim to the Railway Staff National Tribunal in order that it may be considered, in the Commission's words "on its merits"."

The Strike Decision

19. On 22nd December the General Secretary of the N.U.R. wrote to the Commission...
Commission referring to the Minister's decision not to intervene and giving final notice of his Executive's intention to instruct all members of the Union to withdraw their labour as from midnight, 9th January, 1955, in accordance with the following decision:

"That having considered the reply from the Minister of Transport it is clear we have exhausted all forms of negotiations on the above question."

"As we are determined to win the balance of 15 per cent. on all Railway wages on pre-December, 1953, rates, we now decide to withdraw the labour of all N.U.R. members in the Railway industry as from 12 midnight on 9th January."

"I instruct the General Secretary to call special meetings of all our District Councils on Sunday, 2nd January, 1955, in order to perfect our strike machinery in all Regions."

This letter was acknowledged by the Commission without any comment or observation on its terms or the reasoning on which it was based.

3. It was in view of this decision that you held separate discussions on 3rd December with the Chairman of the Commission and representatives of the N.U.R. The Chairman confirmed the Commission's view that the claim of the N.U.R. should be referred to the Railway Staff National Tribunal on its merits. The N.U.R. representatives, however, did not consider that their case would be satisfactorily dealt with in this way. They further stated that they could only agree to resume negotiations with the Commission if the Commission were prepared to discuss their claim without regard to limitations placed on the Commission by their financial circumstances and with the prior assurance that their claim would be substantially met. It proved impossible to resolve this conflict of view, and it was in these circumstances that you decided to appoint us as a Court of Inquiry into the causes and circumstances of the dispute.

The Commission or the Parties

1. In explanation of the decision to withdraw the labour of all members of the Union in the railway industry as from midnight, 9th January, 1955, Mr. Campbell stated that there was serious discontent among members of the Union with the existing wage structure. While it was agreed, even by the Commission, that railway wages were in general too low, protracted negotiations had failed to reach an acceptable settlement owing to the Commission's view of their financial position. The Union did not accept this view as an insuperable barrier to an increase in wages and saw no other course open to them than strike action.

22. Mr. Campbell emphasised that the decision to call a nation-wide strike, such as had not been known on the railways for 35 years, had not been taken lightly. The patience and restraint of railwaymen, to which tribute had been paid in the past by many of those prominent in the industry, had been exhausted after seventeen months of negotiations, at the end of which railway wages were still unreasonably low. This was illustrated by the following weekly rates:

A Goods Porter and other starting grades, £6 5s. Od.;
A Guard in his first year, £5 17s. Od., with a maximum of £7 11s. Od.
A Shunter, who was called upon to perform dangerous work in all kinds of weather, £7 0s. Od.
A Signalman, whose hands the safety of the travelling public rested, £7 2s. Od. rising to £8 0s. Od. in Class 1. (The bulk of Signalmen were within these classes and few rose above them).
A Lengthman who maintained the permanent way, £8 7s. Od. to £9 12s. Od., depending upon his years of service;
The skilled grade of Installer in the Signal and Telecommunications Department, £5 14s. Od. in Class 3, rising to a maximum of £7 3s. Od. in Class 1.
18. As the underlining of December, 1953, arising from the Union's original claim of July, 1953, to examine the whole of the wage structure of the industry had raised high hopes amongst railwaymen of a serious attempt to introduce a new structure that would be more in keeping with present day circumstances and which would place railway wages on a basis comparable with those of other industries. The Union's own proposals, which the Management admitted and some merit, envisaged a structure of 24 rates, instead of over 50 as then existing, ranging from 3s. 9d. for basic grades to 9s. for experienced drivers and signalmen with heavy responsibility. These rates represented an increase of approximately 15 per cent. on the rates prior to the agreement of December, 1953. Owing, however, to the Commission's view of the practical limits to increases in wage levels, the negotiations had dragged on throughout the winter of 1954 and instead of an imaginative approach to the problem it became a matter of difficulty to obtain even an extra shilling or two.

21. Against this background, the Executive Committee of the Union reluctantly reached the settlement of October, 1954, which left between 4.9 and 9 per cent. of the original claim for a 15 per cent. increase unsatisfied. The settlement proved to be entirely unacceptable to the membership of the Union and lost it the only honest and practical course was so to inform the Commission, with a request for the re-opening of negotiations on the basis of the original submissions. The Railway Staff National Tribunal's Award (No. 16) concerning locomotive grades, issued a few days later, served to emphasise the inadequacy of the Commission's offer to other grades in the October agreement.

24. Mr. Campbell explained the subsequent course of events, leading to the strike decision, in the following terms:

"To comply with the suggestion of the Commission that a new claim should be submitted through the machinery of negotiation, would have meant ignoring all that had gone before and commencing negotiations again in an atmosphere of hopelessness created by the Commission's report that they could not raise the money. Unfortunately, the farthest the Commission would go was to give an undertaking to speed the machinery of negotiation. But there was a sinister reservation. They would not commit themselves in any way, despite the fact that the Tribunal's Award No. 16 had made some adjustments inevitable."

"The N.U.R. Executive Committee felt that as long as the Commission continued to plead inability to meet the higher wages they expressed the wish to pay, any new negotiations were doomed to failure. It was, therefore, decided to approach the Minister of Transport in the hope that some way could be found of enabling the Commission to pay reasonable wages while excising the financial benefits from their plans for the future, thereby revised charges and modernisation. The Minister was, however, unable to assist in clarifying the position beyond a rather nebulous repetition of the Commission's letter to the effect that if the Railway Staff National Tribunal awarded the Union's claim in part or in whole, the Commission would have to consult with the Government. My Executive Committee therefore concluded that the only hope of obtaining justice for the membership lay in calling upon them to withdraw their labour."

25. The Union contended that railway wage rates were in general too low because they had failed to keep pace with the rising cost of living and were unfavourable by comparison with other industries. If a comparison was to be made between the rise in the cost of living since the introduction of the new Interim Index of Retail Prices by the Ministry of Labour and National Service on 17th June, 1947, and the rise in the rates of railway wages since that date, it was necessary to allow for the increases in pay which had resulted from the findings of a Court of Inquiry under the Chairmanship of Mr. G. V. O'Neill. This Court had been sitting at the date of the introduction of the new Index and on 24th June had issued its report, recommending an all-round immediate increase of 7s. 6d. and reporting the urgent need for detailed and exhaustive reconsideration of the whole grading of the various classes, scales and categories which make up the complicated structure of the railway service. The 7s. 6d. increase was paid with effect from 30th June and additional increases for certain grades arising from the recommendations as to recognition of skill and responsibility were paid with effect from 1st February, 1948. Thus the rate of pay of a Station Porter, for example, prior to the Report of the Court of Inquiry was 100s. 6d. From 30th June, 1947, that rate was increased by 7s. 6d. to 108s. and from 1st February, 1948, by a further 5s. 6d. to 113s. 6d., following upon the Court's recommendations. Therefore, Mr. Campbell maintained, the real increase to be taken into account for the purpose of comparison with the rise in the cost of living since 17th June, 1947, was the difference between 113s. 6d. and the present rate of 151s., i.e. 37s. 6d. On this basis the percentage increase was less than 35 per cent (and not, as the Commission suggested..."
... earnings for the last pay week in April 223 wore per cent, above pre-war. Passenger charges had increased on average to a grade rated at 162s. The Commission in turn had moreover been handicapped since its inception by the legacy of the hardware and restricted maintenance of the war years. Yet, railway freight charges, according to the figures given by the Commission in their Annual Report, were only 153 per cent. above pre-war, whereas General Wholesale Prices were 223 per cent. above pre-war. Passenger charges had increased on average by 90 per cent. compared with an increase in retail prices of 124 per cent. The average level of railway costs (labour and materials) was now approximately 175 per cent above pre-war. The Union claimed that these figures in some degree reflected the full increase in the cost of living to the lowest paid workers.

Turning to comparison of wages on the railways with those in other industries the N.U.R. contended that the comparison should be made between wage rates, rather than actual earnings. Not all railwaymen had the opportunity of increasing their earnings by overtime, night work and rest-day working. In any case it remained the Union's principle that the basic wage should provide for basic needs, while the man who worked overtime or during night hours was justifiably entitled to some extra payment. Even on the basis of earnings, however, railway staff were poorly paid. The average weekly earnings of male adult conciliation staff for the week ended 27th March, 1954, were 182s. 10d. for an average of 50 working hours. Yet according to Ministry of Labour statistics the average weekly earnings for the last pay week in April '54, in all manufacturing industries were 205s. 2d. for 48.2 hours, in mining and quarrying (excluding coal) 190s. 1d. for 49.1 hours and in building and contracting 193s. 1d. for 49.3 hours. The Union also produced figures to show that in order to raise their earnings to the level of the average for all manufacturing industries (205s. 2d.) or even the average for conciliation staff as a whole (182s. 10d.) individuals in various particular grades would have to work an excessive number of hours. In present conditions of full employment the security of railway work had little value to offset the higher wages paid for work of comparable skill and responsibility in other industries less arduous and dangerous. Benefits such as concessional travel, free uniform and protective clothing were of limited value, were not unknown in other industries, and in any case were by no means universally enjoyed on the railways. Residential travel concessions, in particular benefited only 30 per cent. of the staff.

Mr. Campbell compared the starting rate of an adult railwayman with the starting rate of a postman aged 24 or over. The postman like the railwayman was engaged in a public service and was provided with a free uniform but enjoyed superior benefits from a non-contributory pension scheme. The postman's rate was 125s., rising after two years to 166s. For railwaymen in many starting grades the rate was 125s., rising after one year to 127s. Perhaps twenty-five years' service might bring promotion to a grade rated at 162s.

The Union felt there was a connection between this unfavourable comparison with the wages paid in other industries and the increasing shortage of manpower on the railways, especially in the more highly skilled grades. There were difficulties in recruitment to certain grades and the net loss of skilled operatives to other industries had already begun to affect the efficiency of the railway service. While the rate of labour turnover on the railways might be lower than the rate for other industries, it should be borne in mind that in the case of the railways a change of employment was never merely a change of employer but necessarily involved leaving the industry. The shortage of manpower on the railways was, however, shown by the number of staff performing work on their scheduled "rest-day".

30th June, 1954, nearly 260,000 staff were employed at stations or depots. The rest day was not effective for any of the staff.

It was in the Union's view untrue that there was heavy over-staffing on the railways. A considerable amount of co-operation in measures for greater efficiency had taken place and between January, 1943, and September, 1954, there had been a reduction of over 52,000 in the total staff employed. The Union felt, however, that a first essential was to remove a growing suspicion amongst railwaymen that no matter how hard they worked or what co-operation they showed, a reasonable wage would be denied to them because of some statutory obligation, raised by the Commission as an insuperable obstacle to increased wages.

In the Union's view the financial problems of the railways were not new nor did they justify the existing wage rates. The Commission's view of their financial obligations had not prevented their acceptance of certain recent wage awards, but they now held that their obligations under the Transport Act prevented them from conceding the Union's present claim. If this was so none other way of paying reasonable wages must be found. The finances of the pre-war railway companies had for many years given rise to Government concern. The Commission in turn had moreover been handicapped since its inception by the legacy of the hardware and restricted maintenance of the war years. Yet railway freight charges, according to the figures given by the Commission in their Annual Report, were only 153 per cent. above pre-war, whereas General Wholesale Prices were 223 per cent. above pre-war. Passenger charges had increased on average by 90 per cent. compared with an increase in retail prices of 124 per cent. The average level of railway costs (labour and materials) was now approximately 175 per cent above pre-war. The Union claimed that these figures in some degree...
reflected the increased efficiency of the railway system in which the
Unions had played their full part. At the same time they were also an
indication that to some extent other industries and the travelling public
were being subsidised by the railways, and that the level of railway
wages had some relationship to this position.

32. The railways were essential in the national interest, and if there
was no immediate solution to the problem without Government help then the
N.U.R. contended that such help should be forthcoming. It was hoped that
future plans would restore the solvency of the Commission, but the railway-
men's claims for reasonable wages could not meanwhile be set aside. Such
plans could be operated in the most productive manner only by a happy and
contented staff. The Union therefore suggested, not that the Commission
should receive an annual subsidy, but that it might be relieved for a
few years of the financial burden imposed by the Transport Act.

British Transport Commission

33. Mr. Allen said it was the view of the British Transport Commission
that the decision of the N.U.R. to withdraw the labour of their members
was entirely unjustifiably. While the wages of railwaymen were, in the
Commission's opinion, in general reasonable and in some cases good, they
were always prepared to give speedy consideration on its merits to any
claim for an increase in wages, but were not prepared to be committed in
advance to conceding an increase. On the other hand, in view of their
present financial position and their obligations under Section 3(4)
of the Transport Act, 1947, the Commission would have to consult with the
Minister of Transport and Civil Aviation on any consequence which an
increase in wages might entail.

34. The Commission had always done their utmost to ensure that their
staff were loyal and contented. They denied that there had been undue delay
on their part in the negotiations arising from the agreement of December, 1953.
Clause (4) of that Agreement was itself a recognition that such negotiations
would be lengthy. A complicated wage structure involving 98 rates of pay
was at issue, and the different attitudes taken up by the three Unions added
to the Commission's difficulties. The negotiations had in fact been
concluded within ten months by the Agreement of October, 1954, ratified by
the Executive Committee of the N.U.R. but still unsigned. The Commission
were prepared to discuss through the appropriate machinery, and with all
speed, any particular cases where anomaly was thought to have been created
for some grades of men by the Railway Staff National Tribunal's Award
concerning locomotive grades.

35. In considering the general level of wages the Commission did not agree
that actual earnings could be disregarded. Payments over and above
the minimum rate were gained, without working excessive hours, in the normal
course of duty, which in an industry working "round-the-clock" necessarily
entailed varying amounts of Sunday duty, Saturday afternoon duty and night
duty, at enhanced rates. The statement of average rates of pay,
earnings and hours worked in the principal conciliation grades for the
week ending 27th March, 1954, showed that average earnings were considerably

This statement is reproduced in full as Appendix III.
With regard to the cost of living, Mr. Allen submitted figures in support of the Commission's contention that the increase in the wage rates of conciliation grades, with few exceptions, had exceeded the 45 per cent. increase in the Interim Index of Retail Prices since its inception in June, 1947. The validity of this comparison depended on the exact dates chosen for the basis of computation. Railwaysmen had also improved their position by comparison with the official Index of Wage Rates published by the Ministry of Labour and National Service, which had increased by 43 per cent. in the same period. Moreover changes introduced during recent years in the enhanced rates of payment for certain periods of duty had enabled earnings for normal turns of duty to be still further increased.

37. The Commission were mindful of the relationship between the wages of railwaymen and those of other workers. In the first place they had to have regard to the rates paid in the railway workshops, which had for many years approximated at the basic grade to the minimum rates both on the railways and in general engineering. The Commission's staff engaged in road haulage and bus services inevitably pressed for similar treatment and the rates determined by the appropriate bodies dealing with other transport undertakings, such as the Road Haulage Wages Council and the National Council for the Omnibus Industry, could not be overlooked. Average earnings in the Transport Industry (excluding sea transport) for the last week in April, 1954, were shown in the following table:-

<table>
<thead>
<tr>
<th>Category</th>
<th>Average Earnings</th>
<th>Average Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tramways and Omnibus Service (excluding London Transport)</td>
<td>178s. 4d.</td>
<td>49.8</td>
</tr>
<tr>
<td>Goods Transport by road (excluding British Road Services)</td>
<td>166s.</td>
<td>53.2</td>
</tr>
<tr>
<td>Harbour, Dock, Canal, Conservancy etc., Services.</td>
<td>193s. 1d.</td>
<td>49.5</td>
</tr>
<tr>
<td>Transport and Communications, (excluding Railways, London Transport and British Road Services,)</td>
<td>183s. 6d.</td>
<td>50.1</td>
</tr>
<tr>
<td>Railway Conciliation Staff (week ending 27th March, 1954.)</td>
<td>183s.</td>
<td>50</td>
</tr>
</tbody>
</table>

38. In submitting these figures the Commission emphasized that regard must be paid to the free and reduced rate travel facilities, uniforms and protective clothing provided for railway staff. These facilities had a substantial cash value. For example, a member of the Commission's staff employed at Euston and residing at Harrow would pay nothing for his travel to and from work, thus saving £26 a year - 10s. a week - in fares. Moreover a contributory Pensions Scheme had been introduced for wages staff on 1st October, 1954. The minimum age retirement pension payable would be 9s. 9d. per week rising to 40s. per week according to years of membership.

39. The Commission suggested that the shortage of manpower in the industry, to which attention had been drawn, was less a matter of rates of pay in the industry, than a consequence of national conditions. Throughout the country there were large numbers of unfilled vacancies with relatively few applicants, and the railway industry was, on the whole, standing up well in the face of keen competition for manpower. The number of conciliation staff leaving the service of their own accord had shown a steady decline over the past few years, and in the first six months of 1954 there was an intake of 27,682 to offset a wastage of 27,723 - a net loss of 41 over all grades, some of which had in fact gained. During the 12 months ended 6th November, 1954, the estimated annual turnover of employees per 100 among railway conciliation staff was 19.6, compared with 32.7 amongst employees in the manufacturing industries.
The Commission agreed, however, that there was not, in general, heavy overworking on the railways. Over recent years the Railway management had effected considerable economies including a reduction in total manpower from 633,000 in 1947 to 503,000 at the end of 1954. If these economies had not been made it would be impracticable to pay salaries and wages at their existing levels. There had also been many improvements in methods of working, during recent years which gave increased output without materially increased effort on the part of the staff concerned. Some examples of these improvements were: increased use of mechanical coal-handling plant at motive power depots; increased use of mechanical appliances at goods depots, including conveyors, belt conveyors, and automatic lifting devices; the extension of the use of office mechanical appliances; the extension of the use of tractors for roadwork; and a number of capital improvements. There was in addition the general plan for mechanisation which it was hoped to introduce in the near future. It was, moreover, to be borne in mind that improvements effected by the railways for the benefit of the public, sometimes involving heavy additional maintenance costs, were not always remunerative to the Commission.

In a review of the Commission’s financial position in 1954, Allen stated that, quite apart from the provisions of Section 3(a) of the Transport Act, 1947, the Commission could not regard it right that, as a commercial undertaking, they should pay their way. During the first three years of its existence the Commission as a whole had accumulated a deficit of £100 million. By 1953 this deficit had been reduced to £27 million, but it was estimated to have increased during 1954 by a further £15 million, and on present showing was likely to increase during 1955 by a further £25 million. This estimated deficit in the Commission’s general finances would be due to an even greater deficit in the contribution of British Railways to the central charges of the Commission. These central charges were principally interest charges of various kinds on capital and loans, to which was added a comparatively small item for central administrative expenses. The contribution fixed by the Commission for British Railways was £9.6 million. This represented 9 per cent. of receipts and 3 per cent. of net book assets. It was less than had been anticipated when the Commission was first established.

43. For 1954, the surplus of receipts over working expenses of British Railways was estimated at only £13 million; in other words, British Railways’ contribution to the central charges of the Commission would be deficient by more than £20 million. During 1955 it would be felt for the first time the full effect of wage increases arising from the settlement of February, 1954, the Agreement of October, 1954, and the Tribunal’s award on 15 November, 1954. The total cost of these increases for 1955 was estimated at £22 million. There must also be added the cost of the voluntary pension contributions by British Railways, estimated at £44 million, and an increase in National Insurance contributions on the other hand the full year’s benefit would be felt from the increase in freight charges made in March, 1954. Taken, these factors into account the net surplus over working expenses in 1955 was estimated at only £10 million, i.e., British Railways would be in deficit by a further £19 million.

44. This was a matter of grave concern to the Commission and active measures were being taken to deal with the situation by continuing to seek for all possible economy and efficiency and by curtailing unremunerative services. These, however, could not be sufficient to put matters right and a substantial deficit was likely to remain; any further wage increases would make this deficit even larger.

45. A possible means of covering it would be by increasing fares and freight charges. The Commission, however, did not regard it as proper to pass on to the public the cost of further wage increases unless it were decided that the existing level of wages was unreasonable. In any case, British Railways, being only part of the thousands of undertakings, some of whose services were highly competitive, could not be paid to the level of charges made by other forms of transport, for example, road haulage. Wage increases represented two-thirds of the Commission’s working expenses and if these were raised out of relation to those paid elsewhere in the transport industry there was a real danger that the Commission would be priced out of the market and the role of the railways in the national economy seriously diminished.

/COMMISSIONS AND OTHER BODIES/
Associated Society of Locomotive Engineers & Firemen

45. Mr. Baty said that although members of his Society were not directly involved in the present dispute they had an indirect interest. During and since the World War II, relativities within the railway wages structure (i.e., the relation of the pay of various grades one to the other) had become seriously distorted by successive flat-rate increases. The Railway Staff National Tribunal's Award No.16 of November, 1953, had gone some way, although not as far as the Society would have wished, towards restoring the position. While they did not regard the new rates for locomotive staff as satisfactory, they had reluctantly accepted them and would watch future developments to see if further distortion of relativities took place. In particular, the Society felt that adult engine cleaners were fully entitled, owing to the nature of their work, to a higher rate than the basic rate for other conciliation staff.

46. As regards finance, the Society had always considered that the burden placed upon the British Transport Commission under the Transport Act, 1947, was excessive. Railway fares and charges had in recent years risen far less than the prices of materials used by the railways, and it was entirely wrong that the wages of railwaymen should be depressed in order indirectly to subsidise other industries.

Transport Salaried Staffs' Association

47. Mr. Weaber said that as the dispute before the Court concerned only conciliation staff, his Association did not propose to intervene. The Association and the N.U.R. were at present negotiating with the British Transport Commission on behalf of the salaried staff. He wished to make it clear, however, that the Association was far from satisfied with the position. It had taken 15 months of negotiations to reach an interim settlement and since then a further three months had elapsed. Excessive importance should not be attached to the special travel concessions enjoyed by railway staff. Some of these had been in existence for many years, while less than 30 per cent of the staff were able to take advantage of the residential travel facilities.

Commentary on Negotiations

48. We would first recall that in October, 1954, the N.U.R. accepted revised rates of pay which had been settled as a result of negotiations which followed from the previous Agreement of 16th December, 1953. That Agreement, which had four heads, is quoted in full in paragraph 49 above. The October Agreement, after being ratified and accepted by the Executive of the Union, was thereafter rejected following pressure by the membership. Such a step was, we were informed, without precedent in railway wage negotiations and was certainly in breach of the fundamental principle governing any industrial negotiation, that agreements once made should be honored. The N.U.R. Executive was fully empowered to negotiate and conclude an effective agreement on behalf of the members of the Union, subject only to challenge or appeal at the Union's annual conference. No evidence was put before us of any attempt by the Executive to influence their members or to persuade them to accept the Agreement which had been negotiated on their behalf. The rejection was all the more indefensible since it was the rejection of a settlement which itself was intended to implement one part of a wider Agreement which not only provided for increased wages, but also pledged the Railway Unions to co-operate in increasing productivity and improving efficiency. This point is of importance because the Commission's readiness to consider claims for higher wages and salaries was specifically linked with the acceptance of that obligation by the N.U.R. and the other Unions associated in the Agreement of December, 1953.

49. The N.U.R.'s subsequent stipulation that they would negotiate only if their claim was to be regarded as a continuation of that made by them in July, 1953, was, we consider, wholly unjustified. That claim had been for an all-round increase of 15 per cent. It had for all practical purposes been superseded by the Agreement of December, 1953, which provided for the revision not only of standard rates of pay but also of the differentials between grades. Further, by the Agreement of October, 1954, certain modifications had already been made in the pre-December, 1953, wage structure. Thus the N.U.R.'s attitude on this matter was not only unjustified but also wholly unrealistic. It is a matter of surprise that this attitude was adopted merely to enable the Union to maintain that it had exhausted the possibilities of negotiation, as it was bound to do...
under the Agreement of 1935, and no would be justified in resorting to strike action if its demands were not met. If this were so it was surely an unworthy expedient. Another strange feature is that though the N.U.R. Executive, on the insistence of its members, had rejected the Agreement of October, 1934, and was even prepared to precipitate a Nationwide strike as part of its campaign, the working members of the Union continued, throughout, to accept the extra pay granted them under the very Agreement which they had forced their Executive to reject.

51. A further point which requires condemnation is the N.U.R.'s insistence that the Commission should, before negotiations even began, give a guarantee that a substantial part of the claim would be conceded. We consider such a requirement to be wholly improper as tending to reduce all industrial negotiation to a farce; and Mr. Campbell on behalf of the Union admitted that acceptance of it would be "foreign to his experience".

52. Such extraordinary conduct from the responsible representatives of a great Trade Union calls not only for condemnation but also for analysis. In our view, a partial explanation will be found in the exaggeration and sense of frustration engendered by the nature of the replies made by the Commission to the N.U.R.'s claims for increased wages. These are aptly summarised in the words Sir Brian Robertson used at a formal meeting between the parties in August, 1954, in the course of the negotiations which led to the Agreement of October, 1954. Sir Brian said:-

"You used an expression which struck me as being very apt. You said there were very different ideas as to the distance to be covered. There is not so much a difference of opinion here, there is only a difference arising from the fact that the practicalities of the business bear upon us very immediately and we feel unable to escape them at every turn. We do not regard the proposals we have put forward as being ideal or final. When you say to us that people who work on the Railways are not paid as well as those in other industries and are not paid enough, you will find a broad measure of agreement from our side. It is when it comes to finding the answer to that dilemma that we are unable to reach a settlement with you...... It is a question of money. I said that our proposals are not regarded as being ideal or final. We regard that as being the limit of what is practical at this time".

53. This means that in August, 1954, the Commission were, in fact, saying that while they agreed in broad terms that railway workers were not paid enough, the limits of concession had been reached because money could not then be found to pay any more. As both sides were aware of the terms of the statute under which the Commission operates this could be, and obviously was, interpreted by the N.U.R. as referring to what was practical having regard to the statutory obligations of the Commission. Mr. Allen, for the Commission, placed before us, in December, 1954, figures to support the contention that railwaymen were adequately paid by comparison with workers in other industries; at the same time he employed the argument that higher wages could not be paid by the Commission from their own resources consistently with the discharge of their duties under the Transport Act, 1947, and particularly Section 3(4) thereof. We can fully appreciate the force of an argument that workers are adequately paid in light of what they can and do earn in comparison with other industries, and also the force of an argument that for reasons of financial stringency resulting from economic or other causes a wage regarded by the employer as appropriate cannot be paid. But it is when both are urged at once or alternatively that we have difficulty, because these two arguments have a basic inconsistency. If the wages offered or paid are already fair and reasonable in relation to those paid in comparable industry, it cannot at the same time be said

/that
that, in the words of Sir Brian Robertson, "people who work on the railways are not paid as well as those in other industries and are not paid enough", or that the reason for their not being paid enough is the financial limitation imposed by an Act of Parliament.

The Commission's Financial Obligations

54. Reference to the statutory financial obligations of the Commission had thus played an important part in the course of these negotiations and in view of the impression which was created in the minds of the N.U.R. Executive we have examined carefully the circumstances in which these obligations were used in argument and the implications and inferences arising from them. Section 3, subsection (4) of the Transport Act, 1947, reads as follows:

"All the business carried on by the Commission, whether or not arising from the undertakings or parts of undertakings vested in them by or under any provision of this Act, shall form one undertaking, and the Commission shall so conduct that undertaking and, subject to the provisions of this Act, levy such fares, rates, tolls, dues and other charges, as to secure that the revenue of the Commission is, not less than sufficient for making provision for the meeting of charges properly chargeable to revenue, taking one year with another."

55. The phrase "taking one year with another", familiar enough in the context of rating legislation, is not defined in the Act and is probably not capable of precise definition or interpretation. We apprehend, however, that it must be regarded as a direction to the Commission, so to conduct its affairs that over such a reasonable tract of time as their experience and discretion show to be appropriate, their revenue and expenditure are brought to balance; in other words, that the phrase is sufficiently elastic to permit the Commission to incur a deficit in any one year, or even in successive years, provided that in their long term estimate of their prospects they can see their way to an overall balance. In reply to our enquiries the Commission conceded that the Agreement of October, 1954, and the subsequent Award No. 16 of the Railway Staff National Tribunal were accepted by them in the knowledge that for 1955 the estimated expenditure of the railways, including contributions to central charges, would as a result exceed the estimated revenue by an even larger amount than had been previously forecast. Three points are to be noted here. First, that the Commission were prepared to accept the position that they could, in fact, honour an agreement and an award to pay increased wages which would have the result of involving them in a substantially increased deficit in one particular year. Second, that the figures quoted to us were related to estimates for one year only, probably because no accurate estimate could be made for future years; and third, that nothing was said by the Commission as to what was the term of years on the basis of which they were in fact hoping to implement their statutory obligation, nor as to the effect which the increases already granted and being paid were expected to have, either in requiring a modification of their estimate of the appropriate term of years, or upon their prospects of making ends meet within that term. It is only fair to add that Mr. Allen in reply to the Court did state that in order to reach agreement (in October, 1954) the Commission offered increased rates of pay "which it was generally felt the finances of the Commission could hardly justify but we hoped that by securing co-operation and indeed getting that help in the direction which would seek to reduce waste and increase efficiency the fear in that direction could be nullified." In light of all this it does not appear that a necessary acceptance of their statutory obligation does by itself operate as a bar to the payment of what may be determined to be adequate and proper wages for efficient service, unless a situation has been reached where the imposition of further burdens of expenditure makes the ultimate achievement of the Commission's statutory duty over their chosen period of years an impossibility.

56. This is our assessment of the difficult points of construction and of argument upon this matter of statutory obligations, an assessment which has been reached only after careful consideration of the prepared arguments which were put before us by both sides at the Inquiry. It is easy to understand how readily misapprehension could arise in the minds of the negotiating committee of the N.U.R. Executive when arguments based directly or inferentially upon this statute were "
used by the Commission, during their protracted negotiations, as a reason for not being able to offer higher wages. The impression made upon the Union by these arguments of the Commission was clearly put by Mr. Campbell when he said thus:

"Surely it is not sufficient for them [i.e. the Commission] to say, in effect, 'The obligations which Parliament has placed upon us are proving unbearable. They prevent us from paying decent wages. But, unfortunately, there is nothing we can do about it but to wait and see whether our new freight charges scheme and our somewhat distant plans for modernisation will help matters.' The plain truth is that railwaymen are not prepared to wait that long. They demand, and they are entitled to demand, a fair wage now."

The Commission's Financiar Forecasts

57. In contrast with the previous arguments of Sir Brian Robertson as to the capacity of the Commission to pay increased wages we would refer to what was said by Mr. Allen in his written argument before us:

"In 1955 British Railways will have to meet, for a full year, the wages increases granted during the year 1954 as well as the cost of the new Pensions Scheme for wages staff, and increases in national insurance contributions. On the other hand, they will have the benefit for a full year of the increase in freight charges made in March last. Allowing for these factors, British Railways' Net Receipts in 1955 might well be no more than £10 million, i.e. £30 million short of their proper contribution to Central Charges. For the Commission as a whole the outturn for 1955, on the same basis of estimation as for British Railways, might be a deficit of the order of £25 million.

This is a matter of great concern to the Commission and active measures are being taken to deal with the situation. First, the Commission will continue, as in the past, to seek for all possible efficiency and economy in operation; and in this the staff can render great assistance - for example, by stopping some of the restrictive practices to which reference has already been made. The Commission will also proceed with the curtailing of their more seriously unremunerative services, particularly passenger services.

Steps of these kinds can, however, hardly be sufficient to put things right. A substantial deficit is likely to remain which must be met by the public somehow, since the Commission has no reserves. If further increases in wages are now to be granted, this deficit will be correspondingly increased. The possibilities of covering the deficit by increasing fares and freight charges are, in the view of the Commission, limited by the following considerations.

British Railways are only a part - even if an important part - of the transport industry of the country. Some of the railway services may be monopolistic to a greater or lesser extent; but many are highly competitive. While the Commission would be able to raise fares and charges in many directions, it would not, in their judgment, be proper to meet the cost of still further increases in wages by attempting to pass them on to the public - unless, of course, it is decided that the existing level of wages is unreasonably low.

Even so, fares and charges cannot be raised without regard to the charges made by competitive forms of transport - road hauliers, sea, air, etc. - and the operating costs of undertakings who run their own road haulage vehicles. It follows that if the wages paid by the Commission (which represent two-thirds of their working expenses) are raised out of regard to the wages paid elsewhere in the transport industry, the Commission will suffer competitively and the present balance of the transport industry will be seriously disturbed. There is a real danger that many of the Commission's services would be priced out of the market and the role of the railways in our national economy seriously diminished."
58. There are two passages in this argument to which we feel bound to draw particular attention. The first is the passage,

"While the Commission would be able to raise fares and charges in many directions, it would not in their judgment be proper to meet the cost of still further increases in wages by attempting to pass them on the public - unless of course it is decided that the existing level of wages is unreasonably low",

and the second,

"A substantial deficit is likely to remain which must be met by the public somehow, since the commission has no reserves."

The first implies that increased wages (if it is decided that the present ones are unreasonably low) might be met by increased charges, subject to their remaining competitive with those ruling in rival forms of transport. It does not mean that the statutory obligations of the Commission make it impossible to meet such an increase. The second passage appears to suggest, on the other hand, that under existing conditions of operation and expenditure the Commission is faced with a deficit which it cannot meet on its present financial basis, and which therefore must be met "by the public somehow" - whether by increased charges or in some other form is not specified. By contrast to both, Sir Brian Robertson's words appear to concede the case for an improvement in wages in principle, but to place the Commission's answer to that claim firmly and solely on the proposition that in fact the Commission were not able to offer such wages as they would consider proper, because of the financial limits of their capacity to pay, due to the necessity of their meeting their statutory obligations. It was to this statutory argument, as we have now analysed it and as it appears to us it must have impressed itself on the minds of the N.U.R. Executive, that the last sentence of paragraph 10 of our Interim Report was directed.

The Crux of the Dispute

59. It appeared to us, therefore, both from the narrative of events and of negotiations, and from our examination of the contentions used by the Commission, that they had been endeavouring to meet the Union's claims on lines of argument which are mutually contradictory, and we consider that it is very largely because of this contradiction in basic assumptions that the position of deadlock between the parties was reached. It is here, therefore, that the crux of the difficulty in the dispute between the Commission and the N.U.R. arose.

Some General Considerations

60. In (paragraph 10 of) our Interim Report we dealt with this point and others arising from it, and as they are of the gravest importance and need further amplification in a Final Report such as this, we deal with them somewhat more fully again. We stated that the Nation had provided by statute that there should be a nationalised system of railway transport, and that this must therefore be regarded as a public utility of the first importance for which the Nation must be prepared to make all necessary arrangements to see that it is efficiently run. We continued that it should not be expected that a rate of wages was to be established less than that being paid in comparable industry. We did not at this point deal with the wages at present being paid; the point we wished to stress was the danger of attempting to hold rates at figures other than those related to similar competitive industry.

61. It is implicit in all this that the wage must be properly earned, and that to be a "fair wage" it must be not only no lower than it should be, but also no higher than it should be. The right to receive a fair and adequate wage is no more than this.
62. Where (as in the case of the Commission) the employer is bound to keep his business going and can neither show a working profit, nor shift the scene of his operations, nor re-organise his capital structure, nor be wound up by his creditors, then the factors which are understood by all as affecting the wage rates in normal industry are absent. The conditions in his business are, commercially speaking, artificial and it therefore becomes necessary to fall back on the expedient of relating the wages he should pay to those paid in such comparable industries as may be found. Both sides in their arguments before us accepted the view that it was relevant and proper to have regard to wages paid in comparable industry, and both referred in support of their cases to wage rates and earnings in other industries.

63. It must be kept in view, as Mr. Allen pointed out, that the Commission has to compete in the labour market with other industries for adequate and sufficient labour, and must therefore offer suitable rates and opportunities to attract labour of the required standard of skill and responsibility.

Section 3(1) of the Transport Act, 1947, as amended by the Transport Act, 1953, requires the Commission to have due regard in exercising their powers under the Act to "efficiency, economy, and safety of operation, and to the needs of the public, agriculture, commerce, and industry."

The provision of an adequate, skilled, and responsible labour force may clearly be regarded as one of the essential means of achieving the end of efficiency and a necessary means to be provided and used by the Commission in performing the duty laid on them by the Act. Although the "means" by which the Commission is to find the amount needed to pay whatever the appropriate body may decide to be the right wages are not ours to decide, the primary means would, as Mr. Allen assured us, naturally lie in the establishment of effective productivity. Meanwhile, under the present circumstances of the railways, we have suggested that the appropriate wages can only be arrived at by relation to those in comparable industry, as nearly as such can be found.

64. But again it is fundamental that the employer is entitled to expect, and the employee is bound to give, a fair day’s work for a fair day’s wage. It is further clear that in this case both employee and employer alike must be under a particular obligation to join in making effective all measures which are necessary and reasonable for the improvement of productivity and the promotion of efficiency. This is in the terms of the Agreement of 16th December, 1953, by which the N.U.R. and the other Railway Unions are still bound. Indeed this obligation was recognised and accepted by the N.U.R. in the course of our hearings, though the Commission stated that slow progress was being made in its effective implementation, due in part at least to the difficulties which had confronted the parties in their negotiations on the wages issue.

65. It is further implicit in any properly run industry that it should not be called upon to carry redundant staff, and this again applies particularly to the railways in their present financial position and with their obligation to the public to ensure efficiency and economy in working. On this point it was plainly stated by Mr. Gompbell that in the Union’s view the railways were not heavily over-staffed; and Mr. Allen agreed that, using the expression in its broad sense, it was true that there is "no question of the railways being heavily over-staffed" - though he qualified his agreement by mentioning that in some directions there is still room for economies in the numbers employed. This qualification left doubt in our minds and we feel that further clarification on this very important point may be necessary. This is one of the matters to which paragraphs 67 and 76 have reference.

66. These are but some of the means by which the end to which we referred might be achieved — the provision of an efficient and economical system of transport — but they directly arise from the obligations which must be accepted by workers in the industry as implied in any claim by them to receive an adequate wage. These views do not appear to us in any way to traverse the
directions contained in Section 3(4) of the 1947 Act, which necessarily presuppose that the duty which is laid upon the Commission can by efficient and prudent management be performed and an overall balance of revenue and expenditure arrived at over a period of years. And it would be difficult to deny that one of the requisite instruments to that end is a properly balanced, adequately paid and efficiently working labour force, or that it is the function of the Commission to obtain and use such an instrument.

67. Our terms of reference, as set out at the beginning of this Report, are confined to the inquiry into causes and circumstances of the dispute between the British Transport Commission and the N.U.R. arising out of a claim by the Union for increased wages. We are not empowered, nor would we regard ourselves as qualified in view of the limited time at our disposal, to express any concluded opinion as to the improvements in economy and efficiency which might still be made on the railways or as to the effects which such improvements might have upon their capacity to earn revenue. We do, however, make certain observations in paragraph 76 which we feel are justified in light of the statements of both parties.

68. If payment of increased wages is deemed desirable and necessary, while it is not within our reference to investigate the sources from which such increases are to be financed, we would draw attention to the passages which we have already quoted in paragraph 56 from Mr. Allen's submissions on behalf of the Commission as indicative of the sources from which it is apparently contemplated by the Commission itself that any necessary wage increases might be financed.

The adequacy of present wage rates

69. In paragraph 11 of our Interim Report we stated that "many figures were presented to us from both sides to demonstrate, on the one hand, that the railwayman was worse off than his colleagues in other industries and, on the other, that he was in receipt of a fair wage by comparison with other industrial workers." The submission by both sides of evidence as to rates and earnings in other industries was, as we have already noted, a tacit acceptance that it is relevant and proper to have regard to such comparisons in determining the adequacy of the railwayman's wage. In assessing the value of those comparative figures, regard must be had to the benefits which are enjoyed by railwaymen but are not generally available to workers in other industries; these include free and concessional travel, uniform (where provided) and the recently introduced contributory pension scheme for wages staff. The cash equivalent of these benefits per head is not capable of accurate calculation, but there is no doubt that they have a real value and that they must be taken into account. Against this, most railway workers do not have the same opportunity of enhancing their earnings by piece-work or bonus schemes as do workers in many other industries, while it has always been kept in mind that many grades of railway staff (like workers in other public services) are liable to be called upon for duty at varying times of the day or night.

70. In the course of the arguments before us concerning basic rates in comparable industries, reference was particularly made to the railway workshops (which are, as already indicated, outside the scope of the dispute mentioned in our terms of reference). Here members of the N.U.R. are employed side by side with members of trade unions affiliated to the Confederation of Shipbuilding and Engineering Unions, and the N.U.R. is represented, together with the Confederation, on the Railway Shopmen's National Council through which are negotiated the wages and conditions of employment of the railway workshop employees totalling 124,000.

71. The type of work done in these establishments obviously has affinities with general engineering, and we were informed that as far back as 1922 an Award of the Industrial Court laid down that in fixing wage rates for employees in railway workshops regard should be paid to prevailing rates in the general engineering industry as well as to those for railway conciliation grades. At the time of our inquiry the basic rate for unskilled grades in railway workshops was 12s. 6d. (the same as that for unskilled conciliation grades on the railways immediately before the Agreement of October, 1954), while the basic rate in the general engineering industry was 12s. 10d. Shortly before the beginning of our inquiry the Employees' side of the Railway Shopmen's National Council had put in a claim for wage increases of 15s. for skilled workers, 12s. 6d. for semi-skilled and 10s. 6d. for unskilled, and this claim was, we were informed, under consideration. A claim on somewhat similar lines had already been put forward by the Confederation of Shipbuilding and Engineering Unions on behalf of workers in the general engineering industry.

72. It was also argued before us on behalf of the N.U.R. that the existing wage rates did not offer sufficient incentive or reward for workers in the grades calling for higher degrees of skill and responsibility. It was not within our terms of reference to attempt to carry out such full-scale investigation into the railway wage structure as would be necessary to enable us to express a concluded view.
on this contention. We feel, however, in the light of the figures placed before us, both by the Union with regard to wage rates, and by the Commission with regard to average earnings, that there is some substance in it. In this connection account must particularly be taken of the Railway Staff National Tribunal's Award No. 15 of November, 1954, which gave increases to adult locomotive staff ranging from 2s. 6d. to 26s. and was accepted by all the parties concerned. It was all these considerations which led us to the view expressed in paragraph 12 of our Interim Report and paragraph 7 of the Summary of Conclusions in favour of "a critical re-examination of all wage rates for conciliation staff covered by the Agreement of 8th October, 1954".

2. There is now no need for us to expand further our reasons for recommending a resumption of negotiations between the parties, which has, in fact, taken place since the publication of our Interim Report, or to deal further with Paragraph 8 of the Summary of Conclusions. What we have set out above states, in fuller measure than was possible in the urgent circumstances surrounding the preparation and issue of our Interim Report, the basis of our findings and conclusions relating to this particular dispute.

Efficiency and Economy

73. But before parting with our reference we desire to make certain observations on matters relating to improvements in the economy and efficiency of working that were brought forward by the parties in the course of the Inquiry before us. We feel it within our competence to deal with them though they are not immediately germane to the immediate question of wages, because any economies and improvements in working that may be achieved in the future would presumably take some time to bring into operation and still longer for their effects to be felt in the Revenue and expenditure accounts of the railways and so on the amount of wages that could be afforded in terms of the solvency of the Commission.

74. It was not denied by Mr. Allen or Mr. Campbell that there is room for further economies and further improvements in the provision of services, in the methods of charging, in re-equipment of the undertaking and in methods of operation; nor was it claimed that the problems of over-staffing or of restrictive practices had been wholly or satisfactorily solved. Indeed, Mr. Campbell admitted a lack of enthusiasm on the part of his members for cooperation to improve productivity so long as what they regarded as their just claims were not met. Further, the history of the discussions and disputes over railway wages during the past 18 months has been unhappy, involving as it has done no less than two threats of a major stoppage in an industry which has been free from such stoppages for 35 years (with the exception of participation in the General Strike of 1926).

75. Whether the sources of friction lie solely in failures in labour relations and in misunderstandings arising out of the unfortunate presentation of arguments or whether they are combined with more fundamental and substantial causes of dispute, we cannot positively assert but we think it is plain that over this period at least the relations between the Commission and the N.U.R. have been clouded by imperfect understanding, while other admitted facts to which we have made general reference may be symptomatic of deeper administrative difficulties and disagreements which have not yet been met and overcome.

76. The present position is unhappy, and it seems that the elucidation and solution of such difficulties and disagreements call for a much more searching and detailed inquiry than would have been possible for us in the light of the extraordinary circumstances in which we were called upon to act.

77. We cannot conclude this report without placing on record our high appreciation of the admirable services rendered to us in the whole course of our inquiry and the preparation of our reports by our Secretary and Assistant Secretary, whose care and assistance have been of the very highest value.

We have the honour to be, Sir,

Your Obedient Servants,

(Sgd) JOHN CAMERON (Chairman).

COLIN S. AI-DARSON.

HARRY DOUGLASS.

## APPENDIX I

(See paragraph 5)

### STAFF WITHIN THE SCOPE OF THE MACHINERY OF NEGOTIATION FOR RAILWAY STAFF

NUMBERS DEPLOYED DURING WEEK ENDING 27TH MARCH, 1954

<table>
<thead>
<tr>
<th>Section of Staff</th>
<th>Male Adults</th>
<th>Male Juniors</th>
<th>Female Adults</th>
<th>Female Juniors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaried</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerical staff</td>
<td>48,297</td>
<td>2,465</td>
<td>17,884</td>
<td>1,706</td>
<td>70,332</td>
</tr>
<tr>
<td>Station Masters, Yard Masters, Goods, Passenger and Parcel Agents</td>
<td>5,064</td>
<td></td>
<td></td>
<td></td>
<td>5,064</td>
</tr>
<tr>
<td>Inspectors, Foremen and Supervisors (other than Workshop Supervisors)</td>
<td>11,084</td>
<td></td>
<td></td>
<td></td>
<td>11,084</td>
</tr>
<tr>
<td>Traffic Control Staff</td>
<td>2,328</td>
<td>15</td>
<td></td>
<td></td>
<td>2,343</td>
</tr>
<tr>
<td>R.C.H. Numbers Taking Staff</td>
<td>34</td>
<td></td>
<td></td>
<td></td>
<td>34</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>66,007</td>
<td>2,480</td>
<td>17,864</td>
<td>1,706</td>
<td>83,857</td>
</tr>
<tr>
<td><strong>Conciliation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engine Drivers, Motormen, Firemen and Engine Cleaners</td>
<td>79,555</td>
<td>3,244</td>
<td></td>
<td></td>
<td>82,799</td>
</tr>
<tr>
<td>Motive Power Depot Staff</td>
<td>15,510</td>
<td>38</td>
<td>26</td>
<td></td>
<td>15,574</td>
</tr>
<tr>
<td>Guards, Signalmen, Shunters, Ticket Collectors, Porters, and other Traffic staff</td>
<td>104,956</td>
<td>4,740</td>
<td>1,505</td>
<td>15</td>
<td>111,214</td>
</tr>
<tr>
<td>Goods Handling and Cartage staff</td>
<td>46,129</td>
<td>2,348</td>
<td>1,687</td>
<td>56</td>
<td>50,220</td>
</tr>
<tr>
<td>Carriage and Wagon Examiners, Servicemen, etc</td>
<td>12,388</td>
<td>351</td>
<td>3,193</td>
<td></td>
<td>15,932</td>
</tr>
<tr>
<td>Permanent Way Staff</td>
<td>50,994</td>
<td>4</td>
<td>57</td>
<td></td>
<td>51,059</td>
</tr>
<tr>
<td>Signal and Telecommunications staff</td>
<td>10,050</td>
<td>426</td>
<td>8</td>
<td></td>
<td>10,484</td>
</tr>
<tr>
<td>Dock, Quay, Marine and Canal staff</td>
<td>2,362</td>
<td>58</td>
<td>1</td>
<td></td>
<td>3,321</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,251</td>
<td>261</td>
<td>5,046</td>
<td>145</td>
<td>6,703</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>324,099</td>
<td>11,470</td>
<td>11,521</td>
<td>216</td>
<td>347,306</td>
</tr>
<tr>
<td><strong>TOTAL - SALARIED &amp; CONCILIATION STAFF</strong></td>
<td>390,006</td>
<td>13,950</td>
<td>29,385</td>
<td>1,922</td>
<td>436,163</td>
</tr>
</tbody>
</table>
(See paragraph 15)

RAILWAY SAVVY NATIONAL TRANSPORT AWARD Oct. 16, 1953 

SHOWING RATES OF PAY OF LOCOMOTIVE RATES PRIOR TO 
6th DECEMBER, 1953, RATES PROPOSED BY THE RAILWAY TRANSPORT COMMISSION 
AND RATES AWARDED BY R.S.N.T.

<table>
<thead>
<tr>
<th>GRADE</th>
<th>RATES PRIOR TO 6th DECEMBER, 1953</th>
<th>RATES AWARDED BY R.S.N.T.</th>
<th>INCREASE OF</th>
<th>RATES AWARDED BY R.S.N.T. OVER RATES PRIOR TO 6th DECEMBER, 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engine Cleaner 1st Year</td>
<td>117 6</td>
<td>125 0</td>
<td>3.6</td>
<td>128 0</td>
</tr>
<tr>
<td>2nd Year</td>
<td>127 0</td>
<td>129 0</td>
<td>2.8</td>
<td>130 0</td>
</tr>
<tr>
<td>Fireman 1st Year</td>
<td>126 0</td>
<td>137 0</td>
<td>9.9</td>
<td>136 6</td>
</tr>
<tr>
<td>2nd Year</td>
<td>128 0</td>
<td>140 0</td>
<td>10.0</td>
<td>138 6</td>
</tr>
<tr>
<td>3rd Year</td>
<td>131 0</td>
<td>143 0</td>
<td>21.0</td>
<td>151 0</td>
</tr>
<tr>
<td>4th Year</td>
<td>136 0</td>
<td>147 0</td>
<td>17.8</td>
<td>154 0</td>
</tr>
<tr>
<td>5th Year</td>
<td>139 0</td>
<td>152 0</td>
<td>14.0</td>
<td>157 0</td>
</tr>
<tr>
<td>6th Year</td>
<td>143 0</td>
<td>156 0</td>
<td>10.8</td>
<td>164 0</td>
</tr>
<tr>
<td>Fireman (after prescribed number of firing turns have been worked representing one year)</td>
<td>150 6</td>
<td>164 0</td>
<td>14.6</td>
<td>172 6</td>
</tr>
<tr>
<td>Driver 1st Year</td>
<td>150 6</td>
<td>164 0</td>
<td>14.6</td>
<td>172 6</td>
</tr>
<tr>
<td>2nd Year</td>
<td>152 0</td>
<td>163 0</td>
<td>14.6</td>
<td>172 6</td>
</tr>
<tr>
<td>3rd Year</td>
<td>157 0</td>
<td>172 0</td>
<td>22.6</td>
<td>192 6 (max)</td>
</tr>
<tr>
<td>4th Year</td>
<td>160 6</td>
<td>176 0</td>
<td>17.7</td>
<td>192 6 (max)</td>
</tr>
<tr>
<td>5th Year</td>
<td>163 6</td>
<td>180 0</td>
<td>14.2</td>
<td>192 6 (max)</td>
</tr>
<tr>
<td>6th Year</td>
<td>166 6</td>
<td>185 0</td>
<td>14.2</td>
<td>192 6 (max)</td>
</tr>
<tr>
<td>Shed Chargeman 'A'</td>
<td>150 6</td>
<td>164 0</td>
<td>14.6</td>
<td>172 6</td>
</tr>
<tr>
<td>Shed Engineman</td>
<td>150 6</td>
<td>164 0</td>
<td>14.6</td>
<td>172 6</td>
</tr>
<tr>
<td>Shed Engineman's mate</td>
<td>126 0</td>
<td>137 0</td>
<td>9.9</td>
<td>150 6</td>
</tr>
<tr>
<td>Junior Engine Cleaner Age 16</td>
<td>56 0</td>
<td>66 0</td>
<td>14.3</td>
<td>72 0</td>
</tr>
<tr>
<td>&quot; 17</td>
<td>63 6</td>
<td>72 0</td>
<td>13.4</td>
<td>82 0</td>
</tr>
<tr>
<td>&quot; 18</td>
<td>72 0</td>
<td>82 0</td>
<td>10.8</td>
<td>92 0</td>
</tr>
<tr>
<td>&quot; 19</td>
<td>80 6</td>
<td>92 0</td>
<td>14.3</td>
<td>92 0</td>
</tr>
</tbody>
</table>
### Average rates of pay, earnings and hours worked in principal Conciliation grades - week ending 27th March, 1954.

<table>
<thead>
<tr>
<th>Grade</th>
<th>No. of Staff</th>
<th>Average Rates</th>
<th>Average Earnings</th>
<th>Average hours worked</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>s. d.</td>
<td>s. d.</td>
<td></td>
</tr>
<tr>
<td>Station Foreman</td>
<td>2,169</td>
<td>148 4</td>
<td>190 2</td>
<td>50.4</td>
</tr>
<tr>
<td>Passenger Guard</td>
<td>6,150</td>
<td>146 9</td>
<td>182 10</td>
<td>49.4</td>
</tr>
<tr>
<td>Goods Guard</td>
<td>16,593</td>
<td>146 8</td>
<td>190 3</td>
<td>49.6</td>
</tr>
<tr>
<td>Porter (Traffic)</td>
<td>14,193</td>
<td>125 4</td>
<td>151 7</td>
<td>43.6</td>
</tr>
<tr>
<td>&quot; Leading</td>
<td>9,887</td>
<td>130 4</td>
<td>166 0</td>
<td>49.6</td>
</tr>
<tr>
<td>&quot; Senior</td>
<td>1,545</td>
<td>125 10</td>
<td>174 10</td>
<td>50.5</td>
</tr>
<tr>
<td>Lampman, Signal</td>
<td>588</td>
<td>130 4</td>
<td>143 10</td>
<td>47.1</td>
</tr>
<tr>
<td>Shunter</td>
<td>9,132</td>
<td>130 4</td>
<td>172 11</td>
<td>49.4</td>
</tr>
<tr>
<td>Head</td>
<td>7,764</td>
<td>147 10</td>
<td>187 8</td>
<td>49.3</td>
</tr>
<tr>
<td>Yard Foreman</td>
<td>1,993</td>
<td>150 10</td>
<td>197 5</td>
<td>43.4</td>
</tr>
<tr>
<td>Asst. Alman, Class 1</td>
<td>1,900</td>
<td>156 0</td>
<td>215 3</td>
<td>53.0</td>
</tr>
<tr>
<td>&quot; 3</td>
<td>6,139</td>
<td>142 8</td>
<td>185 1</td>
<td>50.3</td>
</tr>
<tr>
<td>&quot; 4</td>
<td>7,453</td>
<td>138 1</td>
<td>168 6</td>
<td>48.5</td>
</tr>
<tr>
<td>&quot; Sp. 'B'</td>
<td>1,881</td>
<td>171 7</td>
<td>231 11</td>
<td>50.3</td>
</tr>
<tr>
<td>&quot; Sp. 'A'</td>
<td>1,862</td>
<td>165 8</td>
<td>226 3</td>
<td>51.4</td>
</tr>
<tr>
<td>Ticket Collector</td>
<td>2,928</td>
<td>140 5</td>
<td>176 10</td>
<td>49.6</td>
</tr>
<tr>
<td>Porters (Goods)</td>
<td>11,569</td>
<td>128 7</td>
<td>162 11</td>
<td>47.4</td>
</tr>
<tr>
<td>&quot; Leading</td>
<td>6,129</td>
<td>133 5</td>
<td>148 9</td>
<td>47.0</td>
</tr>
<tr>
<td>&quot; Senior</td>
<td>725</td>
<td>135 10</td>
<td>172 3</td>
<td>50.2</td>
</tr>
<tr>
<td>Checkers</td>
<td>825</td>
<td>136 6</td>
<td>169 1</td>
<td>47.4</td>
</tr>
<tr>
<td>&quot; Senior</td>
<td>9,825</td>
<td>144 7</td>
<td>166 2</td>
<td>43.9</td>
</tr>
<tr>
<td>Working Foreman</td>
<td>1,165</td>
<td>143 3</td>
<td>166 11</td>
<td>43.6</td>
</tr>
<tr>
<td>Motor Driver (over 1 ton)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(and up to 5 tons)</td>
<td>11,363</td>
<td>135.8</td>
<td>166.8</td>
<td>49.6</td>
</tr>
<tr>
<td>Gangers</td>
<td>8,074</td>
<td>143 5</td>
<td>194 8</td>
<td>52.7</td>
</tr>
<tr>
<td>Sub-gangers</td>
<td>5,001</td>
<td>133 1</td>
<td>181 10</td>
<td>52.9</td>
</tr>
<tr>
<td>Lengamen</td>
<td>24,926</td>
<td>128 10</td>
<td>167 10</td>
<td>51.1</td>
</tr>
<tr>
<td>Relaye</td>
<td>9,019</td>
<td>128 6</td>
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<tr>
<td>Boilerwasher</td>
<td>1,188</td>
<td>131 7</td>
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<td>Poledropper</td>
<td>1,108</td>
<td>131 6</td>
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</tr>
<tr>
<td>Coalman</td>
<td>1,535</td>
<td>128 9</td>
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<td>Shunters</td>
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<td>195 0</td>
<td>53.5</td>
</tr>
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<td>Sheds</td>
<td>5,174</td>
<td>128 0</td>
<td>160 0</td>
<td>49.3</td>
</tr>
<tr>
<td>&quot; Leading</td>
<td>2,433</td>
<td>131 8</td>
<td>178 1</td>
<td>50.9</td>
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<td>Carriage &amp; Wagon Examiners</td>
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<td>125 3</td>
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<td>Oiler &amp; Greaser</td>
<td>1,280</td>
<td>124 9</td>
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<td>51.6</td>
</tr>
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<td>59.4</td>
</tr>
<tr>
<td>&quot; 3</td>
<td>1,210</td>
<td>142 10</td>
<td>204 10</td>
<td>56.2</td>
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<tr>
<td>Asst. Lineman, Class 1</td>
<td>191</td>
<td>144 3</td>
<td>225 1</td>
<td>58.3</td>
</tr>
<tr>
<td>&quot; 3</td>
<td>1,261</td>
<td>135 10</td>
<td>195 11</td>
<td>56.3</td>
</tr>
<tr>
<td>Installer, Class 1</td>
<td>621</td>
<td>141 1</td>
<td>212 2</td>
<td>58.3</td>
</tr>
<tr>
<td>&quot; 3</td>
<td>871</td>
<td>131 5</td>
<td>186 2</td>
<td>57.8</td>
</tr>
<tr>
<td>Labourer (Signal and Telegraph)</td>
<td>1,952</td>
<td>126 0</td>
<td>181 5</td>
<td>56.7</td>
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<tr>
<td>Driver</td>
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<td>177 2</td>
<td>220 3</td>
<td>48.4</td>
</tr>
<tr>
<td>&quot; 3</td>
<td>1,774</td>
<td>177 3</td>
<td>211 2</td>
<td>48.6</td>
</tr>
<tr>
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* These averages include London rates which for all adults are 3s. higher than Provincial rates.
CABINET

RAILWAY WAGES DISPUTE

Memorandum by the Parliamentary Secretary,
Ministry of Labour and National Service

My colleagues will already have seen the Final Report of the Court of Inquiry into the railway wages dispute, which was circulated on 21st January (C., (55) 18). In my view it is a good Report which goes far to deal successfully with many of the difficulties which arose from the Court's necessarily abbreviated Interim Report. Its main conclusions are as follows:

Criticisms of the Parties

2. In commenting on the course of negotiations the Court condemn the "extraordinary conduct" of the National Union of Railwaymen (N.U.R.) in

(a) repudiating a ratified and operative agreement;
(b) stipulating that negotiations could only proceed as a continuation of their 1953 claim;
(c) insisting on a prior assurance of substantial concessions before negotiations had even begun.

3. Nevertheless, the Court find a partial explanation of this conduct in the "exasperation and sense of frustration engendered by the nature of the replies made by the Commission to the N.U.R.'s claims for increased wages". The British Transport Commission (B.T.C.) is criticised for admitting at one time that railwaymen were underpaid, but arguing that the Commission could not afford to pay them more, and at another time arguing that railwaymen were adequately paid. The Court find the crux of the dispute in the deadlock resulting from the use of arguments which they describe as "mutually contradictory" (paragraph 59).

Fair Wages

4. The Court re-state and elaborate (paragraphs 60-68) the remarks about "fair wages" which they previously made in paragraph 10 of their Interim Report. They emphasise that to be a "fair wage" it must not only be no lower than it should be but also no higher than it should be. They also point out that the right to receive a fair and adequate wage implies that the wage must be properly earned - "it is fundamental that the employer is entitled to expect, and the employee is bound to give, a fair day's work for a fair day's wage" (paragraph 64).
the case of the B, T, C., many of the normal factors determining wage rates are absent, it is necessary to fall back on the expedient of relating wages to those paid in such comparable industries as may be found. The Court further stress that in such circumstances both employee and employer alike have a special obligation to promote efficiency and productivity, and that it would be wrong for the industry to be called upon to carry redundant staff.

5. These clarifications and especially the references to efficiency and economy meet the most general criticisms of the Court's views on fair wages as expressed in paragraph 10 of their Interim Report. I propose to draft, in consultation with my colleagues concerned, a statement in suitable terms of the Government's attitude to this particular matter. This statement would be included in any pronouncement to be made on behalf of the Government in the course of the proposed debate on the various matters which arise out of the recent dispute and the Court of Inquiry's Reports thereon.

Financial Position

6. The Court examine in some detail considerations arising from the financial obligation of the Commission under the Transport Act, 1947, which requires the Commission to balance revenue with expenditure "taking one year with another". In the light of the statements and actions of the Commission itself, the Court reach the conclusion that the Commission's statutory obligation does not "by itself operate as a bar to the payment of what may be determined to be adequate and proper wages for efficient service, unless a situation has been reached where the imposition of further burdens of expenditure make the ultimate achievement of the Commission's statutory duty over their chosen period of years an impossibility" (paragraph 55). The Court then quote extensively from the Commission's written evidence on their future financial prospects (paragraphs 57 and 58). Drawing particular attention to the Commission's views that increased charges not only must be fully justified but also can only be made within the limits imposed by competition and that "a substantial deficit is likely to remain, which must be met by the public somehow, since the Commission has no reserves", the Court remark (paragraph 68) that it is not within their reference to investigate the sources from which any necessary wage increases are to be financed.

7. As the Court point out (paragraph 73) some financial benefit can be expected to accrue in the long run from future economies and improved efficiency, but the Government will be expected to state what measures are contemplated now to deal with the immediate financial position. This aspect of the problem is, I understand, under consideration by the Chancellor of the Exchequer and the Minister of Transport and Civil Aviation.

Efficiency and Economy

8. The Court refer to the questions of surplus manpower (paragraph 65) and improvements in economy and efficiency (paragraph 67). They point out (paragraph 74) that both sides agree that there is room for further economies and improvements in the provision of services, and that it is not claimed that the problems of over-staffing or of restrictive practices have been wholly or satisfactorily solved. The Court also refer (paragraph 75) to failures in labour relations and other causes of difficulty and disagreement between the Commission and the N.U.R.
9. The Report finally concludes (paragraph 76) with the suggestion that there is need for a more searching and detailed enquiry into these matters.

Action Proposed

10. The Government will be pressed for their views on this Report and for a statement of what action they propose to take to remedy the state of affairs disclosed. It is clearly important to obtain first the views of the Commission and of the Railway Unions. The kind of action likely to be successful is one that carries with it the B.T.C. and the Railway Unions.

11. The Report is to be published on Tuesday, 25th January, at 6 p.m., and I propose to invite representatives of the Commission and of the Railway Unions to give me their views on the Report at meetings on Thursday, 27th January. I intend to take the opportunity to discuss with them the proposed enquiry amongst the other matters with which the Report deals, in so far as these concern my Department.

12. I suggest that a final decision on these matters should be taken in the light of the views then expressed.

H.W.

Ministry of Labour and National Service,
S.W.1.

22nd January, 1955.
22nd January, 1955

CABINET

AIR POLLUTION

Memorandum by the Chancellor of the Exchequer

My colleagues will know that the Home Affairs Committee on 20th January (H.A.(55) 2nd Meeting, Item 4) considered the Report of the Beaver Committee on Air Pollution (Cmds. 9011 and 9322). They invited the Ministers concerned to submit their proposals to the Cabinet. This memorandum is about the financial and economic aspects of these proposals.

2. The cost to the national economy of the present situation is adequately set out in paragraphs 38-93 of the Report, which suggested a figure of some £250 millions a year. We must also bear in mind the substantial savings in coal which could be the result of a clean air policy. It is against such a background that we must consider the Report.

Availability of supplies of smokeless fuel

3. The first point to which I would draw attention is this. The clean air policy proposed depends for its success upon there being adequate supplies of smokeless fuel to burn. If there are not, the creation of smokeless zones may be held up. If we are to announce that we accept the main conclusions of the Report, we must either be in a position to say that we believe that adequate supplies of smokeless fuels will be available to meet a satisfactory rate of creation of smokeless zones, both in the next five years and in the more distant future or we must avoid raising too high hopes of any rapid progress at all.

Proposed financial concessions

4. Turning to the financial concessions proposed I have had in mind the need to distinguish between those which are vital to the policy proposed, the rejection of which would make it impossible for us to accept the Report as a whole, and those which are not vital.

The financial concessions proposed are:-

(a) extension of the Government Loans Scheme (paragraph 29);

(b) a subsidy for the replacement of unsuitable domestic appliances by approved types (paragraph 85);
(c) the whole capital cost of industrial fuel saving and smoke-reducing equipment to be charged against revenue for tax purposes in the year in which it is incurred (paragraph 30);

(d) removal of the 50 per cent purchase tax on gas and electric heaters (paragraph 72).

Extension of the Loans Scheme

5. I would be prepared to accept the case for this, if it is administratively feasible, as an inducement to industry to take smoke prevention seriously. The National Industrial Fuel Efficiency Service (who administer the scheme) have been consulted. I understand that in the main the proposal raises no difficulties, but that certain aspects of it are unacceptable.

Domestic appliances subsidy

6. I regard this as being an integral part of the proposed policy, and suggest that, if we are to accept the Report at all, this must be accepted in principle. It may cost as much as £2-3 millions a year for a considerable time, but although I cannot bind myself to accept the recommendation of the Report in detail, I do accept an Exchequer commitment. Further discussions will, therefore, be needed on the form of the subsidy, specifically on the following points - the definition of the appliances which will attract a Government grant, the proportion of the Local Authority grant to be reimbursed by the Exchequer, and the possibility of using the required legislation to prohibit the installation in the future of equipment which is not suitable for the burning of smokeless fuel, of ensuring that the subsidised grates will in fact be used to burn smokeless fuels instead of coal, and of ensuring a reasonable level of prices for the subsidised appliances.

Income Tax Allowance

7. It may be argued (on much the same grounds as are given for the grates subsidy) that this concession should be made because the investment would be compulsory, but there are other forms of compulsory capital expenditure for which no special tax relief is given. Substantial relief is already given (e.g., 20 per cent investment allowance for plant and machinery plus normal depreciation allowances amounting to the full net cost) and we can rightly claim that we are making a valuable concession in the extension of the Government Loans Scheme.

8. The objections to the Committee's proposal are very strong and I would regard them as overwhelming, the most important being:

(a) If this equipment were given special tax treatment, it would be extremely difficult to resist the extension of such treatment to other types of asset which may have some particular importance to the national economy.

(b) It would be quite impracticable to draw up a viable list of all such assets. Yet in the absence of such a list the giving of special tax relief in respect of particular types of asset would amount to arbitrary
discrimination and would undermine the sense of justice and fair play as between one taxpayer and another on which the efficiency of the tax machine largely depends.

(c) It would be extremely difficult, if not impossible, to define precisely the many and varied types of equipment which could lead to fuel saving or smoke prevention.

Removal of the 50 per cent purchase tax on gas and electric heaters

9. This would cost £4½ millions a year. I do not think that the inducement which such a concession would provide for a wider use of gas and electricity would justify such a cost to the revenue, one moreover which would be quite disproportionate to the cost of the other recommendations. For space-heating, gas and electricity are at present more appropriate for casual or occasional use; removing the tax would reduce the initial cost by about a quarter, but it would need a much bigger incentive than that to lead to these appliances taking the place of coal fires for regular use in the winter. They are expensive to run and are commonly regarded as a poor substitute for the ordinary fire. For water-heating, the alternative to gas or electricity is usually smokeless fuel (e.g. coke) in the domestic boiler, so that nothing is to be gained so far as smoke abatement is concerned by encouraging the use of gas and electric water heaters. It is true that any move towards gas and electricity for water-heating might tend to release supplies of coke, and would thus be welcome; but here again the inducement would be marginal compared with the disincentive of the greater running cost of heating water with gas or electricity, and I do not believe that it would have any appreciable effect. There would moreover be considerable difficulties in picking out these particular appliances for a special purchase tax concession.

Conclusions

10. I conclude -

(i) that it is most important that we should be clear about supplies of smokeless fuel before we accept the Report;

(ii) that some financial concessions will be necessary, and that the most important (and least difficult for me to accept) are the extension of the Loans Scheme and the domestic appliances subsidy, and we should accept these in principle, subject to the reservations I set out in paragraphs 5 and 6 above.

I invite my colleagues to endorse these conclusions.

11. I propose to reject the two tax concessions, as being of little value in the implementation of a clean air policy and as being highly undesirable precedents in the taxation field.

R.A.B.

Treasury Chambers, S.W.1.

SECRET
C.(55) 21

22nd January, 1955

CABINET

CLEAN AIR POLICY

Memorandum by the Minister of Housing and Local Government
and the Minister of Fuel and Power

In July, 1953, the Government appointed a Committee under the Chairmanship of Sir Hugh Beaver to examine the causes and effects of air pollution and to recommend methods of preventing it.

2. In their Final Report which they submitted some 2½ months ago, the Committee estimates that the smoke, grit, dust and noxious gases emitted into the air from domestic dwellings and industrial plants cause damage to property and other harmful effects to the tune of about £250 millions a year. This figure does not include the waste of heat value which results from allowing excessive smoke and which is put by the Committee at between £25 millions and £50 millions a year. Nor does it take into account injury to health (e.g. 4,000 deaths caused by "smog" in London during December, 1952).

3. The Committee make a number of important recommendations, the adoption of which would, in their opinion, reduce the density of smoke in the atmosphere over the next 10 or 15 years to an extent amounting perhaps to as much as 80 per cent. Their main proposals are as follows:

(a) Subject to certain exceptions, the emission of dark smoke should be prohibited by law.

(b) Industries which instal new plant, burning pulverised fuel or large quantities of solid fuel, should take all practicable steps to prevent the emission of grit and dust.

(c) Local Authorities should be given general powers to designate "smokeless zones" and "smoke control areas" (subject to confirmation by the Government).

(d) The duty of inspection and enforcement should be placed upon Local Authorities (except in the case of certain industrial processes which should be supervised by the Government's Alkali Inspectors).

(e) Householders in designated districts should have an obligation to convert domestic grates and other appliances so as to burn smokeless fuel. A large proportion of the cost of converting these grates and appliances should be borne by the Exchequer and the Local Authorities.
The Government Loan Scheme for approved fuel-saving equipment in industry should be extended to include equipment installed for the purpose of reducing air pollution.

4. The Committee also make a number of other recommendations of lesser importance. These include two proposals for tax remissions which the Chancellor of the Exchequer is unwilling to accept (C. (55) 20). We agree with him that the acceptance of these two proposals is not by any means essential to the success of the scheme.

5. If smoke from domestic fires, which is one of the worst sources of air pollution, is to be eliminated, the quantities of smokeless fuels available to householders will have to be progressively increased. The Minister of Fuel and Power is satisfied that this is feasible and he is circulating a separate note on this point (C. (55) 22).

6. Having examined this and other implications of the scheme, we are satisfied that, from every standpoint, it is right and practicable to adopt the essential elements of the proposed "Clean Air Policy".

7. Preliminary consultations have been held with the Federation of British Industries and the Local Authorities. Industry appears willing to bear its share of the burden. The Local Authorities are also quite prepared to accept the additional responsibilities involved.

8. The reactions of the Press to the Beaver Report have been universally favourable and there is no doubt that the public expects the Government to take action on the lines recommended.

9. As soon as Parliament meets we shall be pressed to announce our intentions. There are questions on the Order Paper on this subject for answer on Tuesday, 25th January.

10. In addition we shall have to decide our attitude towards Mr. Nabarro's Bill which comes up for Second Reading on 4th February. There is no doubt that he has strong support on both sides of the House. As evidence of this the Bill is sponsored by Mr. Noel-Baker and Mr. Robens (both of them Ministers of Fuel and Power in the Labour Government) and on the Government side by Colonel Lancaster (Chairman of the Conservative Fuel and Power Committee) and Mr. Enoch Powell (Chairman of the Conservative Housing and Local Government Committee). It is therefore virtually certain that the Bill will meet with little or no opposition.

11. If our colleagues approve the general policy the best course would be to find the small amount of Parliamentary time necessary for a Government Bill, which would no doubt be an agreed measure. However, if this is not possible, we feel that we ought to co-operate with Mr. Nabarro in making his Bill effective (including the introduction of the necessary financial provisions at the appropriate stage).

12. We accordingly invite our colleagues:

(i) to approve the principle of a "Clean Air Policy" (including the proposals summarised in paragraphs 3 and 4 above, but excluding the recommendations for tax remission which are not acceptable to the Chancellor of the Exchequer);
(ii) to agree to the introduction of a Government Bill to give effect to this policy (on the assumption that it will be an agreed measure); or, alternatively, (if the necessary Parliamentary time cannot be made available) to agree that the Government should do what they can to improve Mr. Nabarro's Bill as far as possible;

(iii) to authorise the Minister of Housing and Local Government to announce the Government's decision in very general terms on Tuesday, 25th January.

D.S.
G.L.

22nd January, 1955.
CABINET

CLEAN AIR POLICY

Memorandum by the Minister of Fuel and Power

The clean air policy proposed in the Beaver Report depends for its success on adequate supplies of smokeless fuel. I am satisfied that it is feasible, without damaging industry, to provide progressively for the substantial increase in the quantities of smokeless fuels which this policy requires.

2. The smokeless fuels available are gas, electricity, coke, oil, smokeless coal and manufactured fuels. In the normal course of events supplies of all these fuels will increase. The current development plans of the gas and electricity industries, for example, provide for considerably increased supplies in coming years and are in line with the demand for these two fuels that a clean air policy would create. Similarly more oil, coke and other solid smokeless fuels will be available. The creation of smokeless zones will therefore harmonise, not clash, with the natural trend of smokeless fuel supplies.

3. Apart from gas and electricity, coke is by far the most important of the smokeless fuels. Here long-term developments are already under way which will powerfully reinforce the present trend towards increased supplies of coke. Gas coke has normally been produced by gasifying the special carbonisation coals on which the gas industry has depended from its earliest days. These coals are scarce and in keen demand. Recently, therefore, the gas industry has been experimenting with techniques for making gas and coke from other coals and these experiments have already had some success. I am confident that as a result we shall progressively have more ample supplies of coal for making gas and coke. Again, the industry is installing several plants which make gas direct from oil and so lessen the need to use coke in the manufacture of water gas; and it is extending the use of low-grade coal in place of coke for the heating of retorts.

4. Thus, over the 10-15 years which the Beaver Committee envisaged as the time it would take it to put a clean air policy into full effect, the natural trend of smokeless fuel supplies and the new techniques now being developed will, I believe, assure us of the supplies that will be needed for the smokeless zones.

5. Over the next 5 years (the period on which the Beaver Committee thought it right to concentrate) the rate of solid smokeless fuel production is expected to increase by about \( \frac{1}{2} \) million tons a year, or 2 million tons in all. It would be unsafe, I suggest, to be content with this increase. If we are to ensure enough smokeless fuel in these
early years to match an energetic policy of creating smokeless zones and smoke-control areas, we should secure about another 2 million tons. We can make this insurance, but only by diverting that amount from other users.

6. 7 million tons of gas coke are consumed each year by non-domestic users. Of this, 2½ million tons go to public buildings (Government, Local Authorities, etc.) for central heating. I believe that from this 2½ million tons we can secure (as recommended by the Beaver Committee) a big contribution to the supplies of gas coke needed for the smokeless zones and oil can be used to take its place.

7. Oil is already displacing solid fuel for central heating, for reasons both of convenience and cheapness. This is an encouraging trend and one that is in line with my policy of relieving the strain on coal supplies by the increased use of oil which the Cabinet approved in principle on 2nd June, 1954 (C. C. (54) 37th Conclusions, Minute 6). A clean air policy would increase the need to encourage this trend, and I shall shortly ask my colleagues to approve, among other measures for extending the use of oil, a proposal for substituting, over the next 2 years, oil for 1 million tons of coke now used for heating public buildings.

8. To sum up:

(i) supplies of all kinds of smokeless fuel are increasing and on present tendencies will continue to increase throughout the period of 10-15 years in which the clean air policy proposed will gradually become effective;

(ii) this natural increase in supplies will be reinforced progressively throughout the period by various new developments in the techniques of gas and coke making;

(iii) over the next 5 years a deliberate policy of substituting oil for coke, particularly in public buildings, will ensure sufficient smokeless fuel to match the needs of smokeless zones and smoke control areas created during the period.

G.L.

Ministry of Fuel and Power, S.W.1.

22nd January, 1955.
Cabinet

HORROR COMICS

Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs

On 6th December (C.C. (54) 82 Conclusions, Minute 3) the Cabinet authorised me to arrange for the preparation of a draft Bill to prevent the publication and sale of horror comics, which I now circulate for my colleagues' consideration.

2. In clause 1 the form of the publications to which the Bill may apply is defined within very narrow limits, but the considerations to which the court must have regard in deciding whether the publication of a particular work is an offence are necessarily stated in more general terms. In order to secure uniformity in administration it is proposed to arrange that in England and Wales the police should not take proceedings without first consulting the Director of Public Prosecutions, as they already do in connection with matters relating to obscene publications. In Scotland proceedings will be instituted by or on behalf of the Lord Advocate.

3. The penalties provided in clause 2 are such that in England and Wales a defendant who has been once convicted under the Bill will be entitled to claim trial by jury on any subsequent charge under the Bill.

4. The powers of search and destruction in clause 3 are more restricted than those in the Obscene Publications Act, 1857; the important differences are that a search warrant under the Bill cannot be granted unless proceedings have been instituted against the person concerned, and no publication can be destroyed unless there has been a conviction in respect of it.

5. Clause 4 prohibits the importation of publications to which the Bill applies, and articles for printing them.

6. The Bill has been prepared in consultation with the Secretary of State for Scotland. I am satisfied that it is so narrowly drafted that there is little danger that it could be applied to any other type of publication than that against which it is directed, and I seek authority for its early introduction.

G. LL-G.

Home Office, S.W.1.

22nd January, 1955,
CONFIDENTIAL

Children and Young Persons (Harmful Publications) Bill

ARRANGEMENT OF CLAUSES

Clause
1. Works to which this Act applies.
2. Penalties for printing, publishing, &c., works to which this Act applies.
3. Power to search for, and dispose of, works to which this Act applies and articles for printing them.
4. Prohibition of importation of works to which this Act applies and articles for printing them.
5. Short title, interpretation, extent and commencement.
DRAFT OF A BILL

Prevent the dissemination of certain pictorial publications harmful to children and young persons.

BE IT ENACTED BY THE QUEEN'S MOST EXCELLENT MAJESTY, BY AND WITH THE ADVICE AND CONSENT OF THE LORDS SPIRITUAL AND TEMPORAL, AND COMMONS, IN THIS PRESENT PARLIAMENT ASSEMBLED, AND BY THE AUTHORITY OF THE SAME, AS FOLLOWS:—

1. This Act applies to any book, magazine or other like work to which consists wholly or mainly of stories told in pictures (with or without the addition of written matter), being stories portraying—
   (a) the commission of crimes; or
   (b) acts of violence or cruelty; or
   (c) incidents of a repulsive or horrible nature;
   in such a way that the work as a whole would tend to incite or encourage to the commission of crimes or acts of violence or cruelty, or otherwise to corrupt, a child or young person into whose hands it might fall.

2. If a person prints, publishes, sells or lets on hire a work to which this Act applies, or has any such work in his possession for the purpose of selling it or letting it on hire, he shall be guilty of an offence under this section; and a person guilty of an offence under this section shall be liable, on summary conviction,—
   (a) in the case of the first such offence, to a fine not exceeding one hundred pounds; and
   (b) in the case of any subsequent such offence, to imprisonment for a term not exceeding six months or to a fine not exceeding two hundred pounds or to both.
A.D. 1955

(1) Where, upon an information being laid before a justice of the peace that a person has, or is suspected of having, committed an offence under the last foregoing section with respect to a work (hereafter in this subsection referred to as "the relevant work"), the justice issues a summons directed to that person requiring him to answer to the information or issues a warrant to arrest that person, that or any other justice, if satisfied by written information substantiated on oath that there is reasonable ground for suspecting that the said person has in his possession or under his control—

(a) any copies of the relevant work or any other work to which this Act applies; or

(b) any plate prepared for the purpose of printing copies of the relevant work or any other work to which this Act applies or any photographic film prepared for that purpose;

may grant a search warrant authorising any constable named therein to enter (if necessary by force) any premises occupied by the said person (being premises specified in the warrant) and any vehicle or stall used by him for the purposes of trade or business and to search the premises, vehicle or stall and seize any of the following things which the constable finds thereon or therein, that is to say:—

(i) any copies of the relevant work and any copies of any other work which the constable has reasonable cause to believe to be one to which this Act applies; and

(ii) any plate which the constable has reasonable cause to believe to have been prepared for the purpose of printing copies of any such work as is mentioned in paragraph (i) of this subsection and any photographic film which he has reasonable cause to believe to have been prepared for that purpose.

(2) The court by or before which a person is convicted of an offence under the last foregoing section with respect to a work may order any copies of that work which, by virtue of a warrant granted under the foregoing subsection, have been seized in consequence of a search made of premises occupied by him or of a vehicle or stall used by him for the purposes of trade or business, and any plate prepared for the purpose of printing copies of that work or photographic film prepared for that purpose, being a plate or film which, by virtue of such a warrant, has been so seized, to be forfeited.

(3) In the application of this section to Scotland there shall be substituted in subsection (1) for the words from the beginning of the subsection to "any other justice" the words "Where proceedings have been instituted against a person in respect of
an offence under the last foregoing section with respect to a work (hereafter in this subsection referred to as 'the relevant work'), the sheriff.

4. The importation of—

5. (a) any work to which this Act applies; and

(b) any plate prepared for the purpose of printing copies of any such work and any photographic film prepared for that purpose;

is hereby prohibited.

10. (1) This Act may be cited as the Children and Young Persons (Harmful Publications) Act, 1955.

(2) In this Act the expressions "child" and "young person" have the meanings assigned to them respectively by section one hundred and seven of the Children and Young Persons Act, 1933, or, in Scotland, by section one hundred and ten of the Children and Young Persons (Scotland) Act, 1937, the expression "plate" (except where it occurs in the expression "photographic plate") includes block, mould, matrix and stencil and the expression "photographic film" includes photographic plate.

(3) No provision of this Act, other than the provisions of the last foregoing section, shall extend to Northern Ireland.

(4) This Act shall come into operation at the expiration of one month beginning with the date of its passing.
CONFIDENTIAL
Children and Young Persons
(Harmful Publications)

DRAFT
OF A
BILL
To prevent the dissemination of certain pictorial publications harmful to children and young persons.

CCXXIV—K (3)

20th January, 1955

22—3

(37849)
CABINET

WESTERN EUROPEAN UNION

MEMORANDUM BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

Under the Paris Agreements of 23rd October, the Brussels Treaty Organisation is merged in Western European Union (W.E.U.). Privileges and immunities for the Brussels Treaty Permanent Commission and its officials were accorded in the United Kingdom by an Order in Council made in 1948 and extended by two amending Orders made in 1949. A new Order in Council will be necessary to confer these privileges and immunities on the new Organisation and to adapt them to the new circumstances. Under the provisions of the International Organisations (Immunities and Privileges) Act of 1950, no such Order in Council can now be made except to give effect to an international agreement. No such agreement was ever concluded between the Brussels Treaty Powers. The first step must therefore be to negotiate an agreement with the other members of W.E.U. The headquarters of W.E.U. will be in London and its privileges and immunities are thus primarily a matter for the United Kingdom. The Council and its Committees, however, may occasionally meet in other capitals; the Agency for the Control of Armaments will be located in Paris and the W.E.U. Assembly will normally meet in Strasbourg. It is therefore important that the privileges and immunities of the Organisation should be of general application in the territories of all member States.

2. W.E.U. is to work in close co-operation with the North Atlantic Treaty Organisation (N.A.T.O.) and will perform functions comparable in importance with those of N.A.T.O. The W.E.U. Assembly will be composed of the representatives of the Seven Powers to the Consultative Assembly of the Council of Europe. It would therefore seem appropriate that the new Agreement defining the privileges and immunities of W.E.U. should be modelled, in so far as the Assembly is concerned, on the corresponding Section of the 1949–52 Agreement on Privileges and Immunities for the Council of Europe and, for the rest, on the 1951 N.A.T.O. Agreement on the Status of N.A.T.O., national representatives and international staff, which was signed at the time when N.A.T.O. itself had its headquarters in London. Orders in Council to give effect to these Agreements in the United Kingdom were recently approved by both Houses of Parliament.

3. The privileges and immunities which would be enjoyed by W.E.U. are summarised in the annex to this paper. It is impossible at this stage to give a comprehensive figure for the number of persons who would qualify for privileges and immunities under the new United Kingdom legislation. The existing Brussels Treaty Secretariat, consisting of 3 senior and 20 junior officials, is likely to increase when the Western European Union comes into being. The Agency for the Control of Armaments may, as time goes on, assume considerable proportions, but its headquarters will be in Paris and its field of operations is limited to the Continent, so its officials will rarely visit the United Kingdom.

4. I therefore seek the approval of my colleagues to:
   (a) the negotiation with the other members of W.E.U. of an Agreement defining the privileges and immunities of W.E.U., and
   (b) the submission to Parliament in due course of a draft Order in Council based on that Agreement.

A. E.

Foreign Office, S.W.1.

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ANNEX

PRIVILEGES AND IMMUNITIES FOR THE WESTERN EUROPEAN UNION

The Brussels Treaty Orders in Council cover—

(a) the Organisation itself;
(b) the secretariat of the Organisation.

The new Order in Council will need to cover also—

(c) experts employed on missions by the Organisation;
(d) representatives of member States to the Council and its subsidiary bodies, and their staffs;
(e) representatives of the member States to the Assembly.

The Organisation

2. The existing Orders in Council accord the Organisation—

(i) the legal capacities of a body corporate;
(ii) immunity from suit and legal process;
(iii) inviolability of archives and premises;
(iv) exemption from taxes and rates other than taxes on importation of goods.

The new Order in Council would reproduce these provisions and grant also the right to import and export goods for official use and official publications free from customs duties and quantitative restrictions. The justification for this new privilege is that the new Organisation will require a larger secretariat, a larger building in London and probably some increase in the material required for the information and publicity services of the Organisation. These developments would involve larger increases in the budget which would have to be met by contributions from member Governments unless this privilege (which is already enjoyed by N.A.T.O.) were conferred.

The Secretariat

3. The existing Orders in Council give—

(a) to the Secretary-General and the two Deputy Secretaries-General (even if they are Citizens of the United Kingdom and Colonies) their wives and children under twenty-one, full diplomatic privilege, i.e.,
   (i) immunity from suit and legal process;
   (ii) inviolability of residence;
   (iii) full tax exemption;

(b) to other officials (even if they are citizens of the United Kingdom and Colonies)—
   (i) immunity from suit and legal process in respect of words spoken or written or acts done in performance of their official duties;
   (ii) exemption from tax on their official salary.

4. The new Order in Council, if we follow N.A.T.O. precedent, will reduce these privileges. Senior officials, other than citizens of the United Kingdom and Colonies, but not their wives or children, will enjoy—

(i) immunity from suit and legal process;
(ii) inviolability of residence;
(iii) exemption or relief from taxes other than income tax;
(iv) exemption from income tax in respect of official salary.

5. If a senior official is a citizen of the United Kingdom and Colonies, he will enjoy only—

(i) immunity from suit and legal process in respect of words spoken or written or acts performed in the course of his official duties;
(ii) inviolability for papers and documents relating to his work;
(iii) exemption from income tax in respect of his official salary.
6. The position of other officials (including citizens of the United Kingdom and Colonies) will be broadly similar to their position under the existing legislation (see 3(b) above).

7. The number of officials in the employ of the Organisation will turn largely on the size of the Armaments Agency in Paris which cannot yet be assessed. The Headquarters staff in London will certainly have to expand beyond the present figures of 3 senior and 20 other officials but it is impossible to say how much.

Experts employed on Missions by the Organisation

8. Technical and military experts may be required from time to time to assist the Organisation in its new function, particularly in connexion with the Agency for the Control of Armaments. It is proposed that these experts should have the same treatment as their N.A.T.O. counterparts, i.e.:

(i) immunity from personal arrest or detention and from seizure of their baggage;
(ii) immunity from suit and legal process for words spoken or written or acts done in performance of their official duties;
(iii) inviolability of papers and documents relating to their work for the Organisation.

Experts who are citizens of the United Kingdom and Colonies, when in the United Kingdom, would not enjoy immunity (i).

Representatives of member States to the Council and its subsidiary bodies, and their staffs

9. The present Orders in Council make no provision for Permanent Representatives because the continental members of the Brussels Treaty Organisation (B.T.O.) have been represented by their Ambassadors in London and their staffs. In future certain countries may wish to set up permanent delegations independent of their Diplomatic Missions as is done in the case of N.A.T.O. The new Order in Council would therefore follow the N.A.T.O. precedent and give the Permanent Representative and his staff the same privileges and immunities as would be accorded to diplomatic representatives of comparable rank. These privileges and immunities would not be enjoyed by the United Kingdom Permanent Representative or his staff, when in the United Kingdom.

10. Other national Representatives in the Council and its subsidiary bodies would enjoy:

(i) immunity from personal arrest or detention and from seizure of personal baggage and inviolability for all papers and documents;
(ii) immunity from legal process in respect of words spoken or written and of things done in their capacity as representatives.

Their official clerical staffs would be given an immunity similar to (ii) and inviolability for all papers and documents. Again, these provisions would not apply to citizens of the United Kingdom and Colonies, when in the United Kingdom.

Representatives of the Member States to the W.E.U. Assembly

11. The B.T.O. had no parliamentary body.

The new Order in Council would give representatives to the W.E.U. Assembly (18 from the United Kingdom, 87 in all), the same privileges as are enjoyed by representatives to the Consultative Assembly of the Council of Europe, i.e.:

(i) immunity from arrest and legal proceedings in respect of words spoken or votes cast in the exercise of their functions;
(ii) during the period of the Sessions of the Assembly, while attending meetings of Committees of the Assembly (whether or not the Assembly itself is then in Session), and during their journey to or from the place of meeting, in the case of the United Kingdom representatives, the same immunity from arrest or legal process as Members of Parliament enjoy and, in the case of the representatives of other countries, immunity from arrest and prosecution, except in flagran de delicto.
CABINET

THE REPORT OF THE ESTIMATES COMMITTEE ON THE FOREIGN SERVICE

MEMORANDUM BY THE FINANCIAL SECRETARY, TREASURY

On 22nd December the Cabinet agreed that the Report which the Select Committee on Estimates had presented on the cost of the Foreign Service should be examined by a Committee of junior Ministers representing the Treasury, the Foreign Office and the Ministry of Works (C.C. (54) 91st Conclusions, Minute 2). On 20th January the Cabinet further agreed that the reply to the Select Committee should take the form of a White Paper, and invited me to arrange for the Committee to submit the draft of a White Paper to the Cabinet at the earliest possible date (C.C. (55) 5th Conclusions, Minute 7).

2. The Committee have completed their examination of the Report and have agreed upon the attached draft which, if the Cabinet approve, the Foreign Secretary may wish to present to Parliament. Part I of the draft comments on specific recommendations made by the Select Committee; Part II comments on four further proposals made in the body of their Report; and Part III contains explanations of matters relevant to the Foreign Service which the Select Committee appear to have misunderstood, together with corrections of erroneous or misleading passages in their Report.

H. B.

Treasury Chambers, S.W. 1,
26th January, 1955.
THE REPORT OF THE MINISTRY OF FOREIGN
AFFAIRS

MINISTRY OF FOREIGN AFFAIRS

0701818 02/26/91

The Committee on Foreign Affairs has examined the programs and
operations of the Ministry of Foreign Affairs and has received a
report on the activities of the Ministry during the year 1991. The
Committee has conducted hearings on the budget and resources
necessary to carry out the programs and has made recommendations
to the Ministry on matters of policy and strategy. The Committee
has also reviewed the Ministry's performance in light of its
responsibilities and has made recommendations for improvement.

The Committee has identified several areas for improvement,
including increased coordination with other government agencies,
more effective communication with foreign governments, and
enhanced diplomatic efforts in areas of international concern.

The Committee recommends that the Ministry take steps to
address these issues and that additional resources be allocated to
support these efforts. The Committee looks forward to future
hearings to review the progress of the Ministry and to evaluate
the effectiveness of its programs and strategies.

Signed:
Chairman of the Committee on Foreign Affairs

Date: March 1, 1991
Comments on the
Seventh Report from the
Select Committee on Estimates
INTRODUCTION

The Seventh Report from the Select Committee on Estimates dealing with the Foreign Service was published on 9th December. The Report contained major errors, such as the statement that the number of Foreign Service officials serving abroad in a representative capacity had increased by almost 7 per cent. in the last year, whereas the number had, in fact, decreased by about the same percentage. It also gave rise to misleading impressions, for example that Foreign Service expenditure amounted to £200 million a year (instead of just under £20 million). The Foreign Secretary corrected these mis-statements in answer to a Parliamentary Question of 13th December (Official Report, Volume 535, Column 1391). At the same time he undertook that the practicability of the recommendations contained in the Report would receive careful examination in the Departments concerned. This examination has now been completed.

2. Although the Report of the Select Committee contained a large number of critical statements and observations on various aspects of the Foreign Service, the Committee confined the recommendations with which they concluded their Report (paragraph 82) to four. These were as follows:—

(1) The Treasury should investigate the staff position at Bonn without further delay (paragraph 26).
(2) The Foreign Office should examine the system of education allowances used by Imperial Chemical Industries (paragraph 50).
(3) The next inspection of the Foreign Office should be carried out by the Organisation and Methods Division of the Treasury (paragraph 78).
(4) Urgent consideration should be given by the House to the way in which proper supervision can be exercised by its Committees over the ever-increasing expenditure authorised by Parliament to be incurred in foreign territories (paragraph 81).

The fourth recommendation raises issues which cannot properly be dealt with in this Paper. Recommendations (1) to (3) are examined in Part I.

3. In addition, however, to these four specific recommendations, the Report in effect includes four further proposals—that an independent enquiry should be made into the working of the Foreign Service (paragraph 79); that in order to avoid “enormous expenditure on rents” more houses or flats should be purchased or built (paragraphs 51 to 53); that all entertainment expenses should be separately accounted for (paragraph 61); and that the working of systematic overtime in the Foreign Office should be abolished (paragraph 77). These proposals are examined in Part II.

4. The body of the Report also contains a number of other statements and conclusions which are incorrect or unjustified. The Committee appear often to have disregarded or misunderstood the explanations which were given to them. In some cases the Committee, having admitted their inability to form a definite judgment, proceeded to express a critical view: for example, they said “Your Committee are not in a position to determine whether the allowances are either inadequate or extravagant” (paragraph 44), yet elsewhere conveyed the impression that these allowances are, in fact, extravagant. Other statements appear to be founded on an imperfect understanding of the tasks and obligations of contemporary diplomacy. In particular, the Committee took little account of the entertainment required for, and by, distinguished travellers from the United Kingdom, not excluding Members of Parliament.
5. In view of the misleading impression created by many passages in the Report, it is desirable to deal at length with some of the matters discussed and also to include in this Paper some explanation of the reasons for the growth of the Foreign Service and of the system of calculating foreign allowances. It is hoped that these will serve to clear up any misconceptions to which the publication of the Report has given rise. These explanations, together with corrections of many of the erroneous or misleading statements made in the Report form Part III of this Paper.

PART I

RECOMMENDATION 1

“The Treasury should Investigate the Staff Position at Bonn without Further Delay”

6. In paragraph 26 of their Report the Committee imply that there has been inadequate control of the numbers of staff employed at Bonn and that the Foreign Office and the Treasury have been dilatory in the steps taken to reduce staffs. In fact this matter has been the subject of continuous and careful consideration by both the Foreign Office and the Treasury.

7. From the end of hostilities until 1949 the control of Germany was in the hands of a Military Government. In September 1949 a Federal Government was set up in Western Germany and the control functions of the Allied Authorities were taken over by the Allied High Commission in Western Germany. The Headquarters of the British Element were established in the Bonn/Wahnerheide area in order to be near the seat of the Federal Government. At this stage it was decided that the staff of the Control Service who had hitherto been provided with food &c. in the same way as personnel of the Armed Forces should be given allowances to enable them to purchase their own requirements.

8. A full scale inspection of allowances and organisation was made by Foreign Service Inspectors in 1951 and following their recommendations, the staff was reduced from 4,252 in April 1951 to 2,180 in April 1952. One of the officers who conducted the inspection was subsequently appointed Chief Administrative Officer in Germany to ensure that the reorganisation was planned on normal Foreign Service lines. In 1953 an inspection was made of the Consulates and the Information and Cultural Relations Services with a view to planning their post-ratification establishment and integrating the work of the Laender offices and the Consulates. As a result further economies were effected.

9. In May 1952 Conventions(1) were signed in Bonn which would have resulted in the termination of the occupation of Western Germany and in the replacement of the High Commission by an Embassy at Bonn (and by Consulates elsewhere in Western Germany). Owing, however, to the delays in ratifying the Conventions, the High Commission has had to continue as such, and because of the peculiar factors attached to the occupation status, e.g., support from occupation costs, the administration and common services have continued on Control Service lines. The size of the common services and administration divisions is in consequence large by

(1) “Germany, No. 6 (1952),” Cmd. 8571
Foreign Service standards but these branches of the High Commission are being pruned all the time and it should be possible in the year following the end of the occupation to reduce this staff to proportions approximating to those at other large Missions abroad.

10. The Foreign Office and the Treasury had already come to the conclusion that the most suitable time for an inspection would be not during the existence of the High Commission but two or three months after ratification. In accordance with this policy, a full inspection covering staffing, organisation, allowances, &c., in the Embassy and Consulates had been planned to take place in the autumn of 1954 on the assumption that ratification of the Bonn Conventions would have taken place earlier in the year, as at one time expected. Provisional arrangements have now been made for such an inspection, which will take several months, to begin early in June 1955. A Treasury representative will be associated with the inspection.

11. In the meantime staff complements and gradings in Germany are being kept under constant review. The Chief Administration Officer in Germany acts in some respects as a resident Inspector and he visits London from time to time for consultation with the Foreign Office. As a result it has been possible, in spite of the delay in ratification, to secure progressive staff reductions month by month. The total United Kingdom-based staff in Germany, including staff at consulates, has been reduced from 933 on 1st April, 1954, to 841 on 1st December, 1954. The United Kingdom-based staff at Headquarters (excluding the Cultural Relations and Information Divisions, which have been the subject of consideration by the Drogheda Committee) declined from 386 to 350 during the same period. The total British staff in Germany is now approximately 1/15th of what it was five years ago.

12. The economies which have been made in recent months have made it possible to reduce the estimate of the staff which will be required at the Embassy at Bonn after the agreements come into force below the figures submitted to the Select Committee in March. The revised figures (with the figures given to the Committee in brackets) are:

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<tr>
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<tbody>
<tr>
<td>United Kingdom-based</td>
<td>245</td>
<td>(311)</td>
</tr>
<tr>
<td>Locally engaged</td>
<td>324</td>
<td>(539)</td>
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It should be emphasised that these figures are still only tentative and are dependent on the rate at which it is possible to shed some of the occupation functions of the High Commission. Moreover, these figures are in no sense final and only represent the expected position at a given stage in a gradual run-down. What has been said above does not mean that the staff at Bonn will not be quite substantially reduced within a year of ratification and one of the chief objectives of the forthcoming inspection will be to plan for this continued run-down of staff. A material factor in the run-down of the staff engaged on administration and common services will be the concentration of the whole Embassy staff in Bonn on completion of the new building.

13. The Committee refer in paragraph 72 of the Report to the expenditure on the Embassy offices at Bonn. As was explained to them it was essential to build offices because of lack of accommodation to rent. When the extension to the new building has been completed, there will be room in the Embassy for a staff of 250. Even with this accommodation it will still be necessary after ratification to house part of the staff in the only building it has been possible to rent in Bonn, but it will no longer be necessary to accommodate some of the staff in Cologne and Wahnerheide.
fifteen miles away. It is estimated that, one year after ratification, the cost of running these outposts (additional security guards, clerical staff for registries, communications, extra transport, rent) will be at least £30,000 a year. This estimated saving will offset the cost of the new building within a few years, and in addition the concentrated offices will greatly improve the efficiency of the mission.

14. The Committee refer (in paragraph 79) to the huge size of the "proposed new establishment" at Bonn. This might be taken to imply that new staff would be taken on but, as has been explained above, the Embassy establishment after ratification will be substantially smaller than the present establishment in Bonn.

15. Some of the Occupation functions will terminate within a few months of ratification while others will continue for an indefinite period. For example, it will still be necessary to employ British Warders to look after the War Criminals at Werl Prison. There will be a continuing commitment in respect of support costs for the British forces in Germany, which will add substantially to the work of the Economic staff. Residual work in connection with German external debts, reparations, restitution and the deconcentration of heavy industry will continue. British judges will continue to sit on the Supreme Restitution Court and there will also be British representation on the Arbitration Tribunal, the Arbitral Commission and other mixed boards.

16. Apart from these residual functions of the Occupation, the Embassy in Bonn will have responsibilities which do not fall on any normal Embassy. These arise from—

(1) the maintenance of four British Divisions, the 2nd Tactical Air Force and other Forces in Germany;
(2) the special position of Berlin, where we shall maintain Military Government; and the responsibilities which we retain as a result of the division of Germany.

For these reasons, as was explained to the Committee, it is misleading to compare the future Embassy at Bonn with any normal Embassy (see paragraph 25 of the Report).

RECOMMENDATION 2

"The Foreign Office should examine the System of Educational Allowances used by Imperial Chemical Industries"

17. The Foreign Office have examined the evidence submitted to the Select Committee by a representative of I.C.I. and have also obtained further particulars about the firm's arrangements direct from the firm.

18. It should be noted that, as the Committee were informed (Question 1583), I.C.I. are not altogether happy that their scheme is adequate and are examining it to see whether they can and ought to improve it.

19. The I.C.I. system does not offer an insurance scheme but makes provision in the emoluments of an officer on the assumption that he would take out an insurance policy to cover the cost of educating a child. All married employees who have reached a certain salary receive an allowance of £50 a year and this is increased to £100 a year when they reach a slightly
higher salary. These payments are made to married employees irrespective of whether they have children or not. The Foreign Service system, on the other hand, provides specifically for each child at boarding school, while a lesser sum is provided for children who are not at boarding school but not resident with their parents overseas. Under the Foreign Service scheme the help given is thus based on the circumstances of the individual and from this point of view would seem to be more satisfactory.

20. An estimate has been made of the cost of applying the I.C.I. scheme to the Foreign Service and it is clear that it would cost Her Majesty's Government considerably more than the present Foreign Service scheme (approximately £54,000 as opposed to £36,000).

21. The adequacy and suitability of the Foreign Service scheme are being kept continuously under review, in the light of changing circumstances and needs.

RECOMMENDATION 3

"The next Inspection of the Foreign Office should be carried out by the Organisation and Methods Division of the Treasury"

22. The Foreign Office maintain close contact with the O. and M. Division of the Treasury and frequently seek their advice. Among other matters on which the O. and M. Division have recently advised are the following:

(1) The accounting system in use at headquarters and at Foreign Office posts abroad.
(2) The registry systems in use abroad.
(3) The pay system in use at the Foreign Office.
(4) The staffing and organisation of the Foreign Office Finance Department.

23. The Foreign Office propose to invite the O. and M. Division of the Treasury to examine progressively each further branch of the Foreign Office which falls within the general purview of O. and M. investigations.

24. Full inspections of the Foreign Office were carried out in 1949 and 1953 by Foreign Office Inspectors and each time the O. and M. Division were consulted on particular questions. When the next full inspection of the Foreign Office takes place, officers of the Treasury, including the O. and M. Division, will be associated with it.

PART II

The Committee say that they are of the opinion that the time has come for an independent enquiry to be made into the Foreign Service to see how it is working and whether it is properly devised for the functions it is expected to perform. (Paragraph 79.)

25. The Committee appear to have in mind an enquiry with very wide terms of reference. This would unavoidably involve the examination of questions of policy which are the prerogative of the Foreign Secretary.

26. After careful consideration Her Majesty's Government have come to the conclusion that an enquiry of that character would not serve the best interests of either the Service or the nation.
27. It is proposed to take the following steps:

(i) to arrange for a Treasury official of suitable standing to be attached to the Foreign Service Inspectorate to participate in inspections;

(ii) to consult a number of commercial firms employing substantial numbers of home-based staff in foreign countries with a view to comparing notes on their systems and standards of emoluments.

28. Careful consideration will be given by the Foreign Office, in consultation with the Treasury, to all the information gained in these ways to see if any modifications in such matters as the system of calculating allowances for staffs abroad or in organisation are required.

The Committee consider that insufficient vigour has been shown in dealing with the problem of avoiding enormous expenditure on rents by buying houses. (Paragraphs 51 to 53.)

29. Any substantial long-term saving on rents abroad can only be achieved by increased expenditure on buying or building houses. But the amount of money available for building and buying properties overseas has of recent years been barely sufficient to keep pace with the necessary creation of new missions and with urgent functional requirements, with the result that there has been little opportunity to buy property for the specific purpose of avoiding payment of high rents.

30. Apart from budgetary considerations, many factors have to be taken into account when the purchase of residential accommodation in foreign countries is being considered. A house which is quite suitable for a short-term hiring may well not be adequate as a permanent acquisition. Tied to this is the lack of flexibility which ownership of property entails. The size of the staff at the post in question may well alter as may the individual family requirements of successive officers.

31. Another point which has to be considered is whether there is any tendency for the character of the district where the house is situated to deteriorate. What may be suitable now might well be unsuitable in ten years' time. Again, the more houses which Her Majesty's Government own, the larger the staff required to look after them. Finally, of course, very careful calculations have to be made on the financial aspect of each case to ensure as far as possible, that fluctuations in market prices or in the rate of exchange will not turn what is now an attractive proposition into a bad bargain within a few years.

32. In spite of all these considerations, there are undoubtedly a number of places where it would be advantageous to acquire houses. In 1954–55 for the first time there has been a specific allotment (£50,000) for the purchase of suitable buildings which might become available during the financial year. The allotment will be substantially increased in the estimates for 1955–56, shortly to be submitted to Parliament.

The Committee thought that there was a case for examining a system under which all entertainment expenses would have to be separately accounted for. (Paragraph 61.)

33. Entertainment expenses are at present covered by the system of allowances for Foreign Service staff abroad which is explained at length in Part III.
34. It is not possible to isolate the provision made in the *frais* of Heads of Mission for specific entertainment. The cost of entertainment cannot in their case be identified because it is inextricably mixed up with housekeeping costs. The Foreign Office are, however, proposing to put into force experimentally a system whereby specific entertainment on the part of more junior officers (First Secretaries and below) would be met on an expense basis and not included in the foreign allowance. Such officers would be required to report details of expenditure on entertainment in order to recover the cost, within the limit of amounts which would be fixed by the Inspectors as suitable to their grade at the post concerned. If after a period of trial this system proves satisfactory and economical it will be adopted permanently.

**Overtime (paragraph 77)**

35. In paragraph 77 of the Report the Committee refer to the practice of working regular overtime which is followed in the Foreign Office as in other Government Departments in London. The Foreign Office and the Treasury have taken note of the Committee's views in this matter. As the Committee are aware, it is at present before the Royal Commission on the Civil Service.

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**PART III**

**(A) Numbers of Staff Abroad**

36. There are many reasons why the numbers of Foreign Service staff abroad have increased substantially since before the War and any comparison between pre-War and post-War figures is apt to be misleading. The Foreign Service has assumed many new functions and responsibilities. For example, since the War, information work has become an integral part of the Foreign Service's activities. The economic and commercial work of the Foreign Service has been considerably expanded. The development of international organisations (U.N., N.A.T.O., Council of Europe, &c.) has necessitated the establishment of six permanent delegations to such organisations. Diplomatic relations are maintained with sixty-seven foreign countries as compared with fifty-three before the War and this means that there are fourteen more diplomatic missions. There are two new regional offices, that of the Commissioner General in South-East Asia and the British Middle East Office. The Foreign Office has also taken over from the former Government of India responsibility for representation in the Persian Gulf and in view of the importance of this area, the staff there has had to be substantially increased. The War brought home the need for strict and expanded security measures to guard against leakage of information. This has led not only to the establishment of a Security Department in the Foreign Office but to the provision of Chancery Guards from the United Kingdom to serve at overseas Missions.

37. The existence of international organisations such as the United Nations in no way relieves the burden on Her Majesty's Missions but adds to their work, since the views of every member of the United Nations on any subject which may be under discussion by that body are of importance to Her Majesty's Government. Thus, generally speaking, the conduct of our foreign relations has become substantially more complicated since the War. Other factors which have tended to increase staffs abroad are the development of new communications techniques, the introduction of a
medical scheme and other welfare arrangements, and the increased complexity of administration, particularly in Iron Curtain and other posts where living conditions are difficult. In the circumstances the increases which have taken place in total Foreign Service staff abroad since 1938 are not surprising. They have been largely in the junior and less highly-paid grades. The senior branch of the Foreign Service now totals only 790. In 1938 the equivalent services, i.e., Foreign Office and Diplomatic, Consular, and Commercial Diplomatic, totalled 664.

38. As the Committee were informed, in the last four years total numbers abroad have been reduced by about 20 per cent. Tables 1 to 6 (paragraphs 19–24) of the Report give particulars of some of the reductions effected. The table in paragraph 30, however, giving figures for the number of officials serving abroad in a representative capacity in the years 1953–54 and 1954–55 is incorrect in that, while the figures for 1954–55 include Germany, those for 1953–54 do not. The correct total for 1953–54 is therefore not 813 but 933. This means that far from there having been an increase of almost 7 per cent, in the number of staff serving abroad in a representative capacity, there has been a decrease of almost 7 per cent. (This table was not supplied by or checked with any Government Department.) Table 7 (paragraph 24) which is constructed from information supplied by the Foreign Office, is also misleading in the absence of any explanatory comment. The figures given for “diplomatic” staff in this table include all those who are not specifically commercial, consular, or information, e.g., registry staff, cyphering staff and staff engaged on administrative duties of all kinds. The figure of ninety-five given for post-war “diplomatic” staff in Paris, includes fifty-one local staff, the majority of whom are employed in a relatively junior capacity (telephone operators, messengers, drivers, &c). This figure also includes the staff engaged in providing common services for the United Kingdom Delegation to N.A.T.O. and the O.E.E.C. The post-war figure for Rome also includes thirty-four local staff (as opposed to six in 1939), whose numbers are swollen owing to the present geographical separation of different departments of the Embassy. The post-war figures for diplomatic staff in each case includes Security Guards (seven in Rome, nine in Ankara, &c.), a category which as explained above, did not exist before the War but which has unfortunately been shown to be necessary. The figure for information staff in Washington may appear low but this is because the main headquarters of the British Information Services in the United States are in New York.

39. The Report suggests in paragraph 20 that such reductions in staff as have been achieved are due almost entirely to a curtailment or sometimes complete abolition of specific functions or “blocks of work” rather than to a careful and systematic pruning of staff at all levels. While it is true that major reductions have as a general rule only been possible where functions have been reduced or abolished, the large economies achieved in 1951 and 1953 were distributed throughout the Service and involved cuts at all levels. Moreover the process of “careful and systematic pruning of staff at all levels” continues all the time and is one of the main functions of the Inspectors. If they had not been so successful in this work of pruning, the total figures of Foreign Service staff abroad would inevitably have risen in view of the new commitments taken on by the Foreign Service in recent years.

40. Any further large reduction could only be achieved by eliminating or drastically reducing some particular function at some or all Foreign Service posts. For example, the commercial departments at a number of posts might conceivably be abolished. The total cost of the commercial side of the Foreign Service is approximately £1 million. At this cost the Foreign Office
is provided with essential economic information and British firms are given considerable assistance in the development of exports. It is not possible to evaluate the services to British trade which Commercial Officers are able to render. In view, however, of the vital importance to the country of maintaining and developing British exports it would be a false economy to impose an arbitrary cut in our commercial representation in foreign countries. Similarly, it would no doubt be possible to abolish some of the Information Departments at Her Majesty’s Missions abroad (the total cost of the staff engaged on information work is approximately £1½ million). The value of the work performed by the Information Service has, however, been critically examined by the Drogheda Committee, whose conclusion was that we should seek to expand our efforts in this field.

(B) The Foreign Service Inspectorate

41. The Committee’s Report states (paragraph 17) that “four of the Inspectors including the Senior Inspector, had only had experience of consular posts.” In fact, however, all six Inspectors had had experience of diplomatic posts. Appendix 20 dealing with the careers of the Inspectors was not supplied by or checked with the Foreign Office and contains a number of errors, e.g., “Consul” where it should read “Counsellor” and “Commercial Consul” where it should read “Commercial Counsellor.”

42. In paragraph 63 of the Report, the Committee expressed the view that the Inspectors “who are constantly changing in the normal run of business cannot gain that complete experience over the whole field which is desirable for the most efficient discharge of their duties.” A Foreign Service Inspector starts with the advantage of fifteen to twenty years’ knowledge of Foreign Service work and after a few months’ training under one of the more experienced Inspectors should know his duties. It should be noted that the Inspectors ordinarily go on to fill normal Foreign Service posts and the experience they have gained as Inspectors stands them in good stead.

43. The Committee drew attention to the cost of the Inspectorate which is £34,712 per annum. Her Majesty’s Government are satisfied that this cost is more than recovered in terms of savings, better organisation and the general efficiency of the Service, resulting from the Inspection system. It is perhaps worth pointing out that it takes an experienced Foreign Service Inspector at least a month to complete his examination of an average Embassy. By the end of that time he has usually amassed enough information about local costs and local requirements to be able to assess what allowances are necessary and also to make recommendations about the number of staff required. Any less thorough examination would be liable to lead to erroneous conclusions.

(C) Allowances for Foreign Service Staff Abroad

General

44. The general assumptions on which the present system of allowances is based are described in Foreign Service Regulations (No. 3, Chapter 2) as follows:

“Salary is intended to cover necessary expenditure in the United Kingdom and to take the first strain of the cost of living of the officer abroad, foreign allowances supplementing it to the extent to which the salary falls short of total necessary expenditure. In assessing foreign allowances, the following items inter alia are taken into account: (a) local
cost of living; (b) expenditure which an officer serving abroad necessarily
incurs, either at home or abroad, over and above that of an officer of
corresponding grade serving in the Foreign Office; and (c) representational
expenditure, i.e., expenditure which, while optional for a private individual,
is obligatory for a member of the Foreign Service resident abroad by virtue
of his official position."

45. The present system was devised in 1947, in agreement with the
Treasury, with the following aims:—

(a) to assess necessary expenditure at particular posts in the light of the
rank, function and marital status of the officer;
(b) to provide sufficient personal emoluments to attract the best type of
candidate, whether or not he possesses private means, in accordance
with the principles enunciated in the White Paper on the Reform of
the Foreign Service (Cmd. 6420 of 1943);
(c) to provide a standard basis of personal emolument, irrespective of
the conditions of the particular post at which an officer is serving;
(d) to make reasonable provision for children, whether resident with the
officer or at school in this country.

46. A system to achieve these aims must necessarily be complicated. A
simpler system which worked on the basis of broad assumptions, e.g., that
a married couple of a certain age would have a certain number of children,
would be unsatisfactory. The extremes of cost of living, measured in sterling,
found at posts abroad make it necessary to have a close and detailed
assessment of every item of local expenditure if allowances are not to be
excessive in one post and inadequate in another. This local expenditure can
only be assessed after examination on the spot by an inspector who is
competent to judge local conditions and the functions and requirements of
the particular post. The Inspector must take account of the fact that anyone
living temporarily in a foreign country inevitably incurs higher living expenses
than the permanent resident. Some element of personal emolument is
necessarily included in this assessment, e.g., in providing for local leave,
recreations, &c. The aim of the Inspector is to apply a common standard
in these matters and the Foreign Office intend to carry this process of
standardising as far as conditions permit. As officers abroad incur
expenditure in both sterling and local currency for items of local consumption,
the Inspector must also assess these sterling items. As is indicated in the
Foreign Service Regulation quoted above, the first strain of the cost of living
of the officer abroad is taken by salary which is supplemented as necessary
by foreign allowances. In calculating the total required, an element is left
which is called the "unallocated margin" and which is fixed in relation to
the rank and marital status of the officer. For example, the most junior
single officer receives about £36 and a married Grade I Ambassador £970.
This margin is intended to cover unforeseen expenses, expenditure on children
not otherwise covered, expenditure on dependent relatives or other private
commitments, savings, insurance, &c. It is necessary in this connexion to
take into account the following factors:—

(a) the liability to serve at posts abroad, many of which are unhealthy,
unpleasant, distant or lonely;
(b) dangers to health due to service in a variety of climates;
(c) liability to frequent transfer, whether to this country or to other posts
abroad, and the consequent inconveniences and expense of a
peripatetic life;
(d) prolonged separation from families and the consequent problem of
children's education.
47. The above factors apply equally to all grades of staff. Any large business or other organisation employing staff overseas must take such considerations into account.

48. In assessing the necessary expenditure of representational staff the Inspector naturally has to concern himself with the functions of the officer and with his methods and standard of entertaining. The general system of foreign allowances is based on the assumption that entertaining will be done as far as possible in the officer's residence. This is normally both more economical and more effective than entertainment in hotels or restaurants. The officer is therefore provided with a rent allowance to cover the rent of accommodation suitable for entertaining and the Inspector includes in his assessment of necessary expenditure provision for the cost of a servant or servants.

49. Conditions of living in this country are not relevant to the scale or standard of representation required by the members of the Foreign Service abroad. Few people in this country live and entertain on the scale of a generation ago. There are, however, many foreign capitals where standards are as high as or even higher than they were before the War. It would be wrong to expect Her Majesty's Representatives abroad to have a demonstrably lower standard of living and of entertainment than local personalities in the political, professional or business world, who may live in the same or in a neighbouring street and with whom he must endeavour to establish friendly relations. Factors which must clearly be taken into account in considering the standards to be maintained by British representatives are the need to maintain British prestige and influence, to explain and defend British policies and to promote British exports. The standards maintained by the representatives of other Power are also relevant.

50. It is stated in paragraph 33 of the Report that the Foreign Service officers' "own cost of living, most of their own clothes, their amusements when at post, their local leaves and part of the cost of the education of their children are met by the foreign and education allowances which are designed expressly for the purpose." There are also numerous references to the provision of "tax-free allowances" for various specific items of expenditure, e.g., clothes, drinks, cars, &c. None of these statements is strictly accurate. In the first place the foreign allowance is comprehensive. Secondly, as was explained in evidence, the whole of an officer's salary after deduction of United Kingdom income tax and after setting aside a proportion for private commitments (i.e., the "unallocated margin" referred to in paragraph 46 above) is reckoned to be devoted to meeting the officer's living expenses at his post. The officer is never expected to be able to live on his allowance alone and if he is doing his job certainly cannot do so. The various items for which provision has to be made are therefore based on the estimated average expenditure of an officer of a given grade at the post in question which has to be met first by salary and then (to the extent that this is not sufficient) by a comprehensive foreign allowance.

51. One of the main purposes of the proposals in the White Paper of 1943 (Cmd. 6420) was to widen the field of recruitment to the Foreign Service. It followed from this that officers should be enabled to live whether at home or abroad, without recourse to private means. The White Paper also stated that "Officers serving abroad must be ensured emoluments sufficient to enable them not only to represent this country effectively but also to form a wide range of contacts."

52. As was explained to the Committee by both Treasury and Foreign Office witnesses, the allowances payable abroad have to be looked at
primarily in terms of the goods and services which the recipient can purchase with them at the post concerned. Owing to the very high cost of living in many foreign countries and to the unrealistic exchange rates prevailing in some, the allowances when quoted in sterling may sound fantastic. The most glaring example of this is, of course, Moscow. It is, however, very questionable whether the shorthand-typist receiving the equivalent of £4,000 per annum in Moscow is “living more comfortably” than her colleague receiving £400 per annum in London. She certainly lacks many of the amenities which the latter can enjoy.

Heads of Missions

53. The amount of the frais or allowances of Heads of Missions is governed to a considerable extent by the size and nature of the official residence. This in effect dictates the amount which has to be spent on heating, light, servants, upkeep of garden, &c. A number of other items such as the running expenses of a car, chauffeur’s wages, &c., offer equally limited scope for economy. The other major items of expenditure, e.g., the cost of food and drink, depend largely on the amount of entertaining which is necessary. This will vary very much from post to post and will depend partly on such factors as the frequency of visits by United Kingdom Ministers or other important persons (including Members of Parliament), most of whom rightly expect a Head of Mission to make the necessary arrangements for them to meet local personalities. These arrangements usually involve large dinner or cocktail parties. Such visits, while most valuable and welcome to Her Majesty’s Representatives abroad, inevitably increase their expenditure on overheads as well as on actual entertainment. Other factors which have to be taken into account in determining the extent of necessary entertainment at a given post are the general relations of Her Majesty’s Government with the Government of the country concerned, the importance which is attached to developing contacts with local political or business personalities, the nature and extent of the hospitality which the Head of Mission receives and may be obliged to return, the size of the local British community, &c.

Food, Drink and Tobacco

54. When commenting on the examination of budgets by the Inspectors, the Report states (paragraph 39):—

"Vouchers are not insisted upon but produced whenever possible, although they are not produced in respect of food and drink which constitute by far the largest item of expenditure in every model budget."

This statement is misleading. In the reply to Question 681 it was explained that in the examination of budgets expenditure on food was checked by reference to housekeeping or cooks’ books so far as possible and by study of local market prices. The expenditure on drink is also verified by the production of receipts.

55. The Report comments (paragraph 44) on the provision made for drinks and cigarettes and draws attention to the fact that all senior and some junior members of the Foreign Service are able to obtain these free of import duty. This is, of course, taken into account by the Inspectors in assessing the amount which the officer will need to spend on these items. It is therefore of direct advantage to the British taxpayer that the Foreign Service officer should be able to purchase these supplies duty free since the less he has to pay for them the smaller will be his allowance.
**Clothes**

56. The Committee drew attention to the amount provided for clothing (paragraph 43). Clothes in many foreign countries are more expensive than in the United Kingdom, while at many posts both tropical and normal winter clothes are required. Moreover, foreigners expect a high standard to be maintained by Heads of Mission and the more senior members of their staffs and their wives. There is no foundation for the figure quoted in paragraph 43 of the Report, for the amount which an Ambassador might receive if he were a single man. The highest assessment for any single Ambassador of the highest grade is not £450 but £225.

**Cars**

57. The Committee comment (paragraphs 45 and 46) on the provision made in the foreign allowances for transport and on the advances made to facilitate the purchase of cars. The Foreign Office system is very similar to that described to the Committee by a representative of I.C.I. The Committee express surprise that the provision made for a comparatively junior married officer with representational duties (i.e., one who must be presumed to need a car for the efficient performance of his work) should be £100 per annum for running expenses, in addition to £95 for depreciation. The sum of £100 per annum in respect of running expenses, i.e., petrol, oil, repairs, insurance, &c, might not be regarded as unreasonable even in this country and it should be remembered that while the officer's petrol may cost him less abroad, he will have to pay much larger sums in respect of insurance, and that repairs are normally also more expensive. Since paragraph 41 (4) might be taken to mean that provision is made for the depreciation of a car in the allowances of all grades, it is perhaps desirable to point out that only the more senior members of the staff (normally First Secretary and above) are eligible for such an allowance.

**Married Allowances**

58. In paragraph 47 the Report states that it is not clear on what basis the additional allowance in respect of a wife is fixed or to what extent this allowance takes into account the help she may give her husband in his job, if it is a job with representational duties. The answer is that the married allowance is larger that the single allowance only to the extent that a married couple will have to spend more on food, drink, clothes, &c, than a single man or woman. No account is taken in calculating allowances of the help which a wife gives to her husband in the performance of his representational duties (which is, of course, normally very substantial).

**Children’s Allowances**

59. The additions to Foreign Allowances for children are intended as a contribution towards the cost of maintaining a child, whether resident with the officer or at school in this country. These allowances are not calculated to cover the whole cost and do not in fact do so. The officer must make up the difference from the balance of his salary (i.e., the unallocated margin—see paragraph 46 above). When their children are at school in this country officers serving abroad are faced with a very serious problem in providing not only for school fees, clothes, &c., but also for maintenance during the holidays. As the Committee were informed, parents who get their children out to join them at the post during the school holidays have to pay their passages.
Non-Representational Staff

60. As was stated in evidence, the allowances of all members of staff abroad who have no representational obligations, are basically cost-of-living allowances and are such as any good employer would expect to have to pay to expatriate staff in the country concerned. The allowances are fixed after careful scrutiny of budgets by the Foreign Office Inspectors who take every opportunity to consult responsible local British representatives about the allowances payable to members of their staff with comparable functions.

(D) Rent Allowances

61. The Committee comment that a Foreign Service officer receives a tax-free allowance corresponding to the total rent which he has to pay for his accommodation “however high that rent may be” (paragraph 32). They also comment that under the existing system an officer “however junior and inexperienced” can select his own accommodation. These comments are not justified. Since the end of the War there has been an acute shortage of accommodation in almost every large city in the world and this has inevitably meant that rents, particularly furnished rents, have been very high. Where there is a stable economy, e.g., in the United States, rent ceilings for the different grades of staff are in force. Elsewhere the individual must obtain the approval of the Head of the Post for the rent which he is proposing to pay. This in turn has to be approved by the Foreign Office, who, where appropriate, draw on the expert advice of the Ministry of Works. Finally, the Inspectors make a point of enquiring into standards of accommodation and if they thought that an individual was paying an excessive rent, and could obtain suitable accommodation at a more reasonable figure, would not hesitate to recommend him to move unless he is himself prepared to pay part of the rent. There are thus three successive checks on the rents paid.

62. The Committee quote (paragraph 52) “as an illustration of the unsatisfactory nature of the present system” the amount which was being paid for accommodation for a telephonist in Paris (£245 per annum). As was explained to them, however, (Question 774 and Appendix 9), this only secured a furnished bed-sitting room.

63. The Foreign Office nevertheless propose to send out fresh instructions to all posts, charging them to make further efforts to secure economies in expenditure on rents and, in particular, to ensure that all possible help is given to new arrivals at the post to find suitable accommodation at a reasonable figure.

(E) Conclusion

64. The Committee expressed the view (paragraph 79) that it does not appear probable that substantial economies in the Foreign Service are likely to materialise automatically from within the Service itself. They also referred in paragraph 81 to the “ever increasing expenditure” incurred in foreign territories. The total expenditure on the Foreign Service (including staff in Germany and all allied services—Works, Stationery and Printing, Telegram and Telephone service &c.) in each of the last four years has been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>1950-51</td>
<td>£22,060,000</td>
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<tr>
<td>1951-52</td>
<td>£20,115,000</td>
</tr>
<tr>
<td>1952-53</td>
<td>£18,735,000</td>
</tr>
<tr>
<td>1953-54</td>
<td>£18,405,000</td>
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</tbody>
</table>
65. While this reduction has been in large part due to diminishing obligations in Germany, nevertheless this has been a period of almost universally rising costs and the commitments of the Foreign Service have increased substantially elsewhere (the formation of a United Kingdom Delegation to N.A.T.O., increased staff in the Persian Gulf, increased commercial staffs at a number of posts to help in trade promotion, &c.). It can, therefore, confidently be said that if the Foreign Service had not been administered with constant regard for economy, the costs would indeed have been "ever increasing," whereas in fact they have been substantially reduced.
PUBLIC RECORD OFFICE

Reference

CAB 1201/73

ALL ODD NUMBERS BETWEEN

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29th January, 1955

CABINET

PROSPECTS FOR THE OVERSEAS TRADE OF THE
UNITED KINGDOM

Memorandum by the President of the Board of Trade

Since the recession of 1952 our export trade has shown a
welcome increase in both value and volume to record levels in 1954.
In value it has risen from £2,584 millions in 1952 to £2,673 millions in
1954; in volume the index numbers (1950 - 100) have risen as follows:
1952 - 95; 1953 - 98; 1954 - 103. But, although the volume of our
exports in 1954 was 5 per cent higher than in 1953, during the course of
1954 it scarcely increased at all.

2. Of our total exports of £2,673 millions in 1954, approximately
£1,317 millions (about half the total) went to Commonwealth countries,
£828 millions to the Organisation for European Economic Co-operation
(O.E.E.C.) countries, £228 millions to the United States and other dollar
countries, excluding Canada, and £300 millions to the rest of the world.

3. This improvement in our trade has been assisted by the policies
we have been following, internally by restraining inflationary pressures and
and simultaneously removing restrictions on and promoting business
freedom and industrial investment, and externally by working for lower
barriers to trade and payments through the General Agreement on Tariffs
and Trade (G.A.T.T.) and the O.E.E.C., by making sterling more easily
transferable and more widely acceptable, and so forth. In 1954 we
have also been helped a great deal by the easing of import restrictions
in Australia and New Zealand. And because Commonwealth and European
trade is so large a part of the whole, all this has contributed powerfully
to the improvement in world trade which has taken place despite the
American recession.

4. At the same time our overseas expenditure is rising faster than
our overseas earnings. In the second half of 1954 total imports were
£59 millions higher than in the second half of 1953 and total exports
were £2 millions lower. Detailed figures of the balance of payments
for the second half of 1954 are not yet available; but it is fairly clear
that the payments position of the United Kingdom (and of the sterling
area as a whole) also deteriorated substantially during the half year.
Tentative forecasts for 1955 suggest a further widening of the gap
between the rate of increase in earnings and in expenditure overseas.
This is substantially due to rising imports of both food and raw materials
in the United Kingdom.

5. The economy is now fully stretched and there are no significant
additional supplies of labour to call upon as a basis for increasing our
production and, with it, our exports. We must rely on increasing
productivity. Competition from Germany and Japan is intense and must be expected to continue, and in the offing, there is the growing tendency for some countries to remove their discrimination in our favour against the dollar. On the other hand, the economic prospects in the United States are favourable and, if they continue to improve in the way they have been doing recently, the effects on our exports should be good, both directly and indirectly through increased prosperity of other countries, particularly the Commonwealth primary producing countries. Balancing these factors one against the other, we expect the volume of our exports in 1953 to increase, albeit at a somewhat lesser rate than for the year 1953/54, by perhaps about 3 per cent. It is not possible to see clearly further forward than this but, in the absence of a major setback in world economic conditions and a worsening of our competitive power, something like the same rate of increase might continue.

6. We should all like to see our performance bettered, but this level of exports, and certainly any improvement on it, depends on a number of factors, some within our power to influence, others outside it. First among these is the maintenance of an internal economy, vigorous and expanding, but free from inflationary influences which would draw resources from exports to the home market and increase our costs relative to those of our competitors. Second, and in part related to the first, is an improvement in our competitive power arising from increasing productivity and efficiency. Industry is well alive to this need, and in particular industrial investment is now showing a welcome increase. Third, is the holding back of protectionist and restrictionist pressures both within this country and in the world at large. Our proportion of world trade has been keeping fairly steady though recently it has fallen off slightly. Our interest lies in encouraging the highest possible volume of world trade out of which we hope to retain at least our usual proportion. Here, two current problems of particular importance are the extent to which American protection for agriculture will encourage protectionism elsewhere and how far Japan’s admission to the G.A.T.T. may force countries to raise tariffs (necessarily on a non-discriminatory basis) in order to protect themselves against Japanese competition.

7. We have been well served so far by the policies we have been pursuing of maintaining a high level of world trade and increasing our competitive power, by sound anti-inflationary policies and by improved technical efficiency. We can take heart from the fact that the United States Government have successfully halted and reversed the recent recession there. We must recognise the importance in the long term of United States economic policies, and particularly trade policies on which Congress has again been asked by the President to take action on the Randall Report. The level of international demand is high and looks likely to remain so as far as can be seen.

8. It will be important to maintain an economic climate here that will ensure that we keep and increase our share of world trade. This is especially necessary because of the current tendency for the rate of imports to increase faster than the rate of exports.

P.T.

Board of Trade, S.W.1.

CABINET

JAPAN AND THE GENERAL AGREEMENT ON TARIFFS AND TRADE

Memorandum by the President of the Board of Trade

On 24th January, the Cabinet invited the Foreign Secretary and the other Ministers principally concerned to consider further this difficult problem of our attitude to Japan's accession to the General Agreement on Tariffs and Trade (G.A.T.T.) (C.C. (55) 6th Conclusions, Minute 4). Annexed is a short note which describes a course of action which we might pursue. My colleagues have agreed that I should put this forward to the Cabinet as a basis for discussion, and without commitment.

2. Action on these lines would still leave us with one real source of difficulty with Lancashire. The decision to offer Japan most-favoured-nation rights on tariffs would be regarded by Lancashire - and indeed by industry in general - as an important concession to the Japanese. In order to defend this step forward in our commercial relations with Japan, we would have to be in a position to say that we intended to take powers to impose countervailing duties against dumped goods within the same limits as are permitted by the G.A.T.T.

3. There remains the problem of the timing of any statement of policy. It would seem probable that some discussion in Parliament will inevitably follow upon the end of the G.A.T.T. Review negotiations, and it is difficult to see how we could avoid making some statement upon the Japanese issue at that stage. This, however, is a complex matter and is linked with the Trade and Payments talks. I suggest that we should instruct officials to examine the matter and report back.

P.T.

Board of Trade, S.W.1.

ANNEX

JAPAN AND THE GENERAL AGREEMENT ON TARIFFS AND TRADE

We should invoke Article XXXV. When announcing this, we should explain that we did it because we could not yet give up the safeguards for our industries which we should not have if we were to accept at this time G.A.T.T., obligations towards Japan. We should point out that international trade was going through a period of alteration and adjustment and we wanted to see how the trade pattern would develop before accepting such obligations. We should make it clear that it was the aim of the United Kingdom Government that all nations should be equally subject to trade rules, and that it was our intention that our trade relations should be so conducted as to reach a situation in which we could accept in due course G.A.T.T., obligations towards Japan. Furthermore, it was in our mutual interest to maintain a high level of trade between the sterling area and Japan, and we considered that this aim could best be achieved by the continuation of the Trade and Payments Agreements. These Agreements would in general continue to determine to what extent the United Kingdom should use quota restrictions. In addition, we should offer to negotiate a commercial treaty with Japan whereby, in return for satisfactory shipping and establishment provisions, and for assurances in regard to copying and unfair trade practices, we should undertake to continue to give Japan most-favoured-nation treatment on tariffs.
Although the latter paragraphs of the Final Report of the Court of Inquiry might be read as recommending a general inquiry into British Railways (or indeed the Transport Commission) as a whole, I do not think there is any reason to suggest any modification of the Cabinet’s tentative conclusion to the contrary (C.C.(55) 6th Conclusions, Minute 5).

2. Such an inquiry would hold up re-organisation which is now at a crucial stage. It is opposed both by the Commission and by the Unions.

3. There is, however, both a strong body of public opinion which expects some inquiry to be made, and reason to believe that there is some waste in the use of manpower by the Commission.

4. There is, therefore, a reasonable case for an inquiry limited to the use of manpower by the Commission.

5. Sir Brian Robertson, Chairman of the British Transport Commission, has informed us that the Commission would be willing to suggest to the Unions that they should undertake a joint inquiry into the use of manpower on the railways. The proposal would include the suggestion that outside assistance be obtained and that reports should be published from time to time.

6. The Parliamentary Secretary, Ministry of Labour believes that the Unions might respond to such a suggestion.

7. Sir Brian Robertson is, therefore, approaching the Unions with a proposal to this effect.

8. If agreement can be obtained for an inquiry on these lines, I recommend that an indication of the approval of Her Majesty’s Government to this course of action be given at an early stage to Parliament.

J.A.B.-C.

Ministry of Transport and Civil Aviation,
W.1.

SECRET

C. (55) 29

4th February, 1955

CABINET

STATEMENT ON DEFENCE, 1955

MEMORANDUM BY THE MINISTER OF DEFENCE

I circulate herewith, in proof, the Statement on Defence, 1955, which is to be published as a Command Paper on 17th February.

2. It has already been considered by the Defence Committee (D (55) 1st Meeting, Item 1) and incorporates their amendments. Copies, in this form, are being given, in confidence, to the Commonwealth Prime Ministers.

3. I should draw my colleagues' attention to three important points:—

(a) Paragraph 3, announcing our decision to proceed with the production of thermo-nuclear weapons;
(b) Paragraphs 70–72, rejecting any reduction in the current period of two years' whole-time National Service;
(c) Paragraphs 112–117, announcing the formation of a Mobile Defence Corps for home defence duties in war.

4. A separate White Paper will be presented simultaneously dealing in more detail with the supply of Service aircraft.

H. M.

Ministry of Defence, S.W. 1.
2nd February, 1955.
Statement on Defence

1955
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I.—INTRODUCTION

1. Overshadowing all else in the year 1954 has been the emergence of the thermo-nuclear bomb. This has had, and will continue to have, far-reaching effects on United Kingdom defence policy. Nevertheless our problem is still fundamentally a dual one. We have to prepare against the risk of a world war, and it is on the nature of these preparations that the existence of thermo-nuclear weapons has its main effect. At the same time we must continue to play our part in the defence of the interests of the free world as a whole, and particularly of the Commonwealth and Empire, in the "cold war"; and we must meet the many other peacetime commitments overseas arising from our position as a great Power with world-wide responsibilities.

2. In the Statement on Defence, 1954, Her Majesty's Government set out their views on the effects of atomic weapons on United Kingdom policy and on the nature of war. Shortly afterwards the United States Government released information on the experimental explosion at Eniwetok, in November 1952, of a thermo-nuclear weapon many hundred times more powerful than the atomic bombs which were used at Nagasaki and Hiroshima in 1945. On 1st March, 1954, an even more powerful thermo-nuclear weapon was exploded in the Marshall Islands. There are no technical or scientific limitations on the production of nuclear weapons still more devastating.

3. The United States Government have announced that they are proceeding with full-scale production of thermo-nuclear weapons. We have no doubt that the Soviet Government will follow the same policy; though we cannot tell when they will have thermo-nuclear weapons available for operational use. The United Kingdom also has the ability to produce such weapons and after fully considering all the implications of this step the Government have decided to proceed with their development and production.

4. The power of these weapons is such that accuracy of aim assumes less importance; thus attacks can be delivered by aircraft flying at great speed and at great heights. This greatly increases the difficulty of defence and other means of delivery can be foreseen which will, in time, present even greater problems.

5. If such weapons were used in war, they would cause devastation, both human and material, on an unprecedented scale. If exploded in the air, a hydrogen bomb would destroy a wide area by blast and thermal radiation. If exploded on the ground, the destruction by blast and thermal radiation would be somewhat less; but there would be additional extremely serious indirect effects. A great mass of atomised particles would be sucked into the air. Much of it would descend round the point of the explosion, but the rest would be carried away and descend as radio-active "fall-out." The effect on those immediately exposed to it without shelter would certainly be fatal within the areas of greatest concentration of the "fall-out"; it would become progressively less serious towards the outer areas of the
affected region. Large areas would be devastated and many more rendered uninhabitable. Essential services and communications would suffer widespread interruption. In the target areas, central and local Government would be put out of action. Industrial production, even when undertakings were not partially or wholly destroyed, would be gravely affected by the disruption of power and water supplies and by the interruption of the normal complex inter-flow of materials and components. There would be serious problems of control, feeding and shelter. Public morale would be most severely tested. It would be a struggle for survival of the grimmest kind.

6. It is essential that these facts should be known not only to our people but to all the world. All should know the magnitude of the disaster war would bring. Such knowledge may bring home to people in all lands the consequences of war and generate a compelling will to peace which will enforce itself on the most arbitrary of rulers. That is the first implication of the nuclear weapon; it is one not of despair but of hope. In the hands of the free world, which at present has a marked superiority both in the weapon itself and in the means of delivering it, and which has no thought of aggression, it is a most powerful deterrent. In the Government's considered view this deterrent has significantly reduced the risk of war on a major scale.

7. Our duty and our policy are clear. To build up our own forces, in conjunction with those of our allies, into the most powerful deterrent we can achieve. By this means to work for peace through strength. Thus we shall hope to obtain real disarmament and relaxation of tension. But we must also so equip and train our forces and so organise the country as to enable us to survive and to defeat the enemy if all our efforts for peace should fail.

8. The Government will continue to work for a practical scheme of disarmament as a contribution to the alleviation of international tension and the avoidance of war. Their ultimate aim is abolition of the use, possession and manufacture not only of all nuclear weapons, but also of other weapons of mass destruction, together with simultaneous major reductions of conventional armaments and armed forces to agreed levels which would redress the present Communist superiority.

9. The whole programme would have to be carried out to an agreed timetable, and an essential feature would be the provision of machinery to supervise and enforce agreed prohibitions and reductions. Detailed proposals on these lines have been put forward by Her Majesty's Government in recent years. Until recently, however, there has been no indication that the Soviet Government were ready even to entertain any workable scheme; indeed, there were many indications to the contrary. In September, 1954, however, the Soviet Government announced that they were prepared to accept "as a basis" certain proposals put forward last June by Her Majesty's Government in conjunction with the French Government. The recent debates in the United Nations General Assembly indicates that they are still not prepared to agree to the essential safeguards provided in these proposals although it is hoped that in the forthcoming discussions they will be ready to discuss disarmament more realistically. If the free world disarmed without such safeguards it would incur a double risk. It would be threatened with conventional forces which it could not hope to match; and it would have no guarantee that such
forces would not be reinforced by nuclear weapons over the clandestine production of which there would be no adequate control. In short, disarmament must be real and comprehensive and there must be secure and workable safeguards. Until the Communist world is prepared to accept such a system our "Grand Alliance" must build and maintain its strength.

10. The deterrent to aggression does not consist in military strength alone. The political unity and resolution and the economic as well as the physical strength of the free world must be maintained. This has been the basis of our policy ever since the clear emergence of the Communist threat after the last war. On it were founded first the Brussels Treaty of 1948 and then the North Atlantic Treaty of 1949. To this end, too, the agreements resulting from the London and Paris Conferences are of supreme importance. Their ratification will enable Western Germany to make her essential contribution of forces, under suitable safeguards. They will also, by "recognising that a great country can no longer be deprived of the rights properly belonging to a free and democratic people" and by associating the Federal Republic as an equal partner in Western European Union and in N.A.T.O., strengthen the solidarity and unity of purpose of the Western European and North Atlantic communities.

11. The United Kingdom's undertaking, subject to the ratification of the agreements and to certain other understandings, to maintain her forces on the mainland of Europe, contributed powerfully to the success of the London and Paris Conferences, and will certainly continue to strengthen the stability and effectiveness of N.A.T.O. and Western European Union. The British initiative was followed (and this was not the least important result of the Conferences) by an expression by Mr. Dulles of the willingness of the United States to consider giving complementary assurances regarding the continued maintenance of United States forces in Europe.

12. Further evidence of the desire to unite for mutual protection against possible aggression is provided by the conclusion of the South-East Asia Collective Defence Treaty. The development of this organisation, which is about to be further discussed in Bangkok, should contribute much to the stability of this troubled area.

13. Naturally it is within the Commonwealth that we may look for the fullest co-operation in defence. The closest liaison is maintained at the service level with other Commonwealth countries between whose forces there is considerable standardisation of equipment, weapons and training techniques. Besides frequent inter-Governmental consultation, of which the recent meeting of Commonwealth Prime Ministers is an example, regular Service conferences are held and there is close and intimate co-operation with the individual countries concerned over regional planning and strategy.

14. Political unity and armed strength would be of little value if the will of the free peoples to maintain, and if necessary, to defend, their independence and way of life were in doubt. For this reason economic, social and political progress must be maintained and consolidated, particularly in the less developed countries, which otherwise might be undermined by Communist infiltration and subversion.
15. It is certainly no part of the Government’s policy to abandon resistance to Communist imperialism in the cold war. Weakness and irresolution in the face of aggression falling short of a major war will not avail to avert such a war. The existence of the nuclear weapon may discourage overt armed intervention by the Communist Powers, such as occurred in Korea, because of the risk that it might develop into unlimited war. But equally it may encourage the indirect approach, through infiltration and subversion, and thus paradoxically increase the tempo of the cold war. We shall therefore, in parallel with our effort to develop the deterrent and to prepare for a major war, require to strengthen by all means at our disposal, including, where necessary the maintenance of large conventional forces, our defences against this method of attack. By doing this we can play our part with the other countries of the Commonwealth and with our Allies in resisting the spread of Communism throughout the world.

16. The United Kingdom is also responsible for many dependent territories overseas and must be ready not only to defend them against external aggression but also to provide armed forces in support of the civil power against threats to internal security. The rapid transition through which many colonial societies are now passing in their progress towards self-government creates conditions which are in some cases capable of being exploited by international Communist techniques. This immediately, but as we hope only temporarily, must increase the actual and potential commitments for British forces in support of Colonial Governments and Administrations. At the same time the measures already being taken to strengthen the ability of the Colonial Governments themselves to deal with threats to internal security must be progressively improved.

17. Our reduced commitments in Trieste, Korea, and the Middle East, now make it possible to rebuild a strategic reserve of land forces in this country. Coupled with the mobility of the Navy, and increasing use of air transport, this will greatly increase our ability to exercise our world-wide responsibilities effectively and economically.

18. Meanwhile, in a situation in which the Communist world maintains large and increasingly powerful armed forces, the strength of our forces and those of our Allies must also be developed and sustained against the possibility of a major war. In this development increasing emphasis must be placed on the deterrent.

19. This deterrent must rest primarily on the strategic air power of the West, armed with its nuclear weapons. The knowledge that aggression will be met by overwhelming nuclear retaliation is the surest guarantee that it will not take place.

20. This offensive strength is also our most effective defence against aggression, should it ever occur. The enormous power of nuclear weapons is such that in war the outcome of the first few exchanges would be of critical importance. Great advantages would probably flow from surprise and from the first assault. In these circumstances the enemy might well initiate the use of nuclear weapons at the outset of hostilities. A prompt and overwhelming counter-offensive with the most powerful weapons available offers at present the surest means of limiting the scale of such attacks.
21. But we cannot rely only on strategic air power. Our policy must aim at impressing on the potential enemy that a sudden attack even with nuclear weapons would not be conclusive. It must demonstrate that we have both the will to survive and the power to ensure victory. The vast conventional forces controlled by the Communist world include a great and growing Navy. We too must have a Navy capable of dispersal and concentration at will which, with the Allied navies, can seek out and destroy the enemy’s naval forces and preserve effective command of sea communications.

22. The Communist world also maintains and can continue to maintain a great preponderance of conventional land forces operating, moreover, on internal lines of communications. The Soviet Union and her Eastern European Satellites have some six million men under arms backed by enormous reserves. On the German front the Soviet Army could be increased to well over 100 divisions within 30 days and over the whole field of deployment East and West the Soviet and Satellite land forces could be raised to the level of 400 divisions. The free world cannot put into the front line anything comparable to this strength in conventional forces. The use of nuclear and atomic weapons is the only means by which this massive preponderance can be countered. But with their aid we can adopt a forward strategy on the ground in Europe with good hope of preventing the overrunning of the Continent. We can defend the Continent instead of contemplating again a grim process of liberation. But if we do not use the full weight of our nuclear power Europe can hardly be protected from invasion and occupation—with all that this implies both for Europe and the United Kingdom.

23. It was for these reasons that the Council of the North Atlantic Treaty Organisation, at its meeting in Paris in December 1954, approved a report by the Military Committee on the most effective pattern of N.A.T.O. military strength which assumed the use, against a war of aggression, of atomic and nuclear weapons. The report will, henceforward, form the basis of N.A.T.O. defence planning and preparations. Decisions on putting such plans into effect are specifically reserved to Governments.

24. Thus, until the Soviet Union agrees to participate in a secure system of disarmament, the free nations must base their plans and preparations on the assumption that if a major war were precipitated by an attack upon them they would have to use all the weapons at their disposal in their defence. The consciences of civilised nations must naturally recoil from the prospect of using nuclear weapons. Nevertheless, in the last resort, most of us must feel that determination to risk the threat of physical devastation, even on the immense scale which must now be foreseen, is manifestly preferable to an attitude of subservience to militant Communism, with the national and individual humiliation that this would inevitably bring. Moreover such a show of weakness or hesitation to use all the means of defence at our disposal would not reduce this risk. All history proves the contrary.

25. We must therefore contribute to the deterrent and to our own defence by building up our own stock of nuclear weapons of all types and by developing the most up-to-date means of delivery. We must, moreover, in making our plans for dealing with aggression against our alliance, not
flinch from the necessity to use these weapons. For in the knowledge of our
resolve lies the best hope, and it is a real hope, that it may never be put to
the test.

26. Nevertheless the use of naval and land forces in a war involving
nuclear weapons is not outmoded. Their weapons, organisation, tactics
and training will be profoundly affected. But the Navy is still required to
contain and destroy enemy forces at sea so as to allow free movement of
supplies and troops and to give both our land and air forces support in their
operations. We still need troops on the ground, too, to hold the enemy well to
the East in Europe in the vital initial stages of a war. This would give time
for the effects of our strategic air offensive to be felt; it would hold back
from the United Kingdom the threat of shorter-range aircraft and ground-to­
ground missiles. The presence of a firm shield of troops and tactical aircraft
also reduces the danger that the Communists might be tempted to try to
over-run Europe with conventional forces in the hope that the West would
refrain from using nuclear weapons in its defence or that it would be used
as a pawn in a shameful negotiation. It is from this point of view that the
building up of German Armed Forces is militarily so important.

27. At the same time we must make all possible provision for the defence
and continued functioning of the home base. This will demonstrate that
we have the will to survive and have no intention of surrendering even if it
should come to nuclear warfare. For this purpose the R.A.F. Fighter
Command must be armed with the most powerful aircraft and weapons we
can develop and maintained at a high state of readiness. Home Defence
is no less vital than before. It is true that its character has changed. It
is no longer a question of dealing with the local and isolated incidents. The
whole country, the Services no less than the civilian population, is involved
and must be organised accordingly. The Services must be trained, local
civilian organisations developed, and there must be a link between the two.
For this purpose the Government have decided to form a Mobile Defence
Corps as part of the Army and R.A.F. reserve forces.

28. We also need defensive strength to take toll of the enemy if he attacks.
For this purpose the Reserve Army, apart from its overseas commitments
to N.A.T.O. and for other purposes, will continue to play a vital rôle. Within
our resources, of course, full preparedness in all these fields is not possible.
We must apply flexible and carefully assessed priorities.

29. The discharge of our many overseas commitments in cold war
conditions must continue to absorb a large share of the resources which
we can make available for defence. For the rest we must, in our allocation
of resources, assign even greater priority to the primary deterrent, that
is to say, to the production of nuclear weapons and the means of their
delivery. Other elements of our defence effort must be adjusted to conform
to these priorities and we must, in particular, eliminate those parts of our
forces which have become or are becoming obsolete in modern conditions.
We must have regard also to the kind of war in prospect and here the
governing factor is the critical importance of the initial phase. We cannot,
however, be sure that the initial phase will be decisive; certainly all our
efforts must be directed to securing that it is not decisive against us. Some
provision, though on a lower priority, must therefore be made for continuing
operations after the initial phase, particularly at sea.
30. To sum up there are, in the first place, certain to be difficulties and dangers in continued co-existence with the Communist powers whose long-term aims and whose conduct and creed are fundamentally opposed to our own. The monolithic nature of the Communist system seems to remain basically unaltered. Its military strength continues to grow at an impressive rate. On the surface their policies may appear, from time to time, more accommodating. But their actions have so far provided no real ground for believing that the threat to the free world has sensibly diminished.

31. These difficulties may, however, be overcome if we are patient and resolute and these dangers avoided if we are united, vigilant and prepared. We must neither be lulled into a false sense of security, nor frightened into a state of paralysis, nor tempted into hasty or ill-considered action by means of provocation.

32. Above all, if the free world stands together determined, if necessary to defend itself with all its resources, then the nuclear weapon, in the words of the Prime Minister, “increases the chances of world peace far more than the chances of world war.” There seems reason to hope that this will remain true even when the present great predominance of the West both in stocks of nuclear weapons and in the means of delivering them has been reduced. In fact, from a universal realisation that the results of a major war can only be utterly disastrous for both sides may emerge a new hope. The armed truce of recent years may develop through “co-existence” into real peace.

II.—THE PROGRAMMES OF THE SERVICES

33. This broad review of the strategic implications of the thermo-nuclear weapon does not radically alter the rôle of any of the three fighting Services. Each has a contribution to make to the three main aims of our defence policy—to build up the deterrent against aggression, to fight the cold war, and to prepare for a major war in case it should come to that.

34. Their rôles in these three contexts are not competitive but complementary. Moreover, particularly in considering their preparations for a major war we must always remember that we shall not fight alone but as a member, though a leading member, of a great alliance. Thus, within limits, the pattern of our own forces must conform to that of the whole. It is nevertheless possible to describe the contribution of each of the Services to these three main aims.

35. The main contribution to the deterrent is made by the Royal Air Force whose primary task now is to build up the V-Bomber Force, with its nuclear potential, to the highest possible state of efficiency and preparedness. The first squadrons of V-bombers will be introduced during this year.

36. The Navy also makes its contribution of heavy carriers to the allied striking fleet whose great mobility and offensive power, to be augmented by guided missiles and by the other modern equipment which is under development, will add powerfully to our ability to hit the enemy either independently or in support of allied land and land-based air forces.
37. The importance of strong land forces prepared for instant action in the defence of Western Europe has already been explained. They are no less an essential part of the deterrent in other parts of the world.

38. The main burden of the cold war and of our other peacetime military commitments in the Colonial Empire is borne by the Army whether in active operations against Communist guerillas in Malaya, in helping to restore law and order as in Kenya, or in maintaining confidence and stability elsewhere, for example in the Middle East. For these purposes conventional forces and conventional arms are required.

39. The Army is now able to build up a strategic reserve in the United Kingdom. This has for long been a primary aim of our defence policy; it is essential both in the cold war and in our preparedness for a major war. In the cold war it can be used promptly to restore situations which might otherwise grow into serious or lasting commitments. It will also reduce the present high proportion of overseas service in the Army. And in this way, through concentration and the improved training facilities available in this country, it will increase the standard of efficiency.

40. The task of the Navy is, as it always has been in peace-time, to sustain our foreign and colonial policy. The presence of Naval forces is often sufficient to provide a steadying influence. The Navy is moreover essential to the support of our strategic reserve. And in more serious, but still limited, conflicts of the Korean type it can provide quickly, by reason of its mobility, powerful assistance to the land battle.

41. The value of the R.A.F. in the cold war is exemplified by the squadrons now engaged in active operations both in Kenya and in the Far East. (In Malaya the Naval Helicopter Squadron continues to give valuable assistance.) The overseas commands of the R.A.F. are receiving new equipment and will continue to maintain close liaison with other Commonwealth Air Forces. Great emphasis is placed on mobility, and the ability to reinforce overseas theatres with all types of aircraft at short notice is constantly improving. Special attention is being paid to the re-equipment of Transport Command so as to provide increased mobility for the strategic reserves of both land and air forces as well as greater capacity for co-operation with the Army in tactical airborne operations.

42. If it should come to a major war the initial stage will be of critical importance. In this initial stage the primary rôle will fall to the Air Force. But the tasks of the Navy and of the Army will also be vital. Above all, the highest possible state of readiness in all the three Services is essential.

43. We rely upon the striking power of the Air Force for an immediate and decisive counter-blow; for a major contribution to the defence of this country against air and sea attacks, and for air support to the allied front in Europe.

44. The threat of nuclear attack clearly presents grave problems to our Air Defence Forces. The control and reporting system in the United Kingdom, the overhaul of which was begun at the outset of the rearmament period, and which is already highly developed, will be further improved. The expansion of Fighter Command has been completed. Its re-equipment
is now proceeding. The balance of the Command will be improved by a further increase in the proportion of all-weather radar-equipped fighters. High priority continues to be given to the development of guided missiles. Orders have been placed for air-to-air guided weapons and progress is being made with the development of other types.

45. The 2nd Tactical Air Force will be maintained at the highest possible efficiency in support of the front in Europe. Improvements will be made in this force so as to increase its fighting capacity. Coastal Command will be strengthened by the addition of some Seamew aircraft for short-range anti-submarine reconnaissance.

46. Throughout the R.A.F., means to improve the state of immediate readiness are constantly being studied and applied. To this end, aircrew with recent flying experience in operational squadrons are now earmarked as immediate reserves. Changes are being made in the organisation of the Royal Auxiliary Air Force. Reserve ground personnel are being organised into Reserve Flights for individual regular stations. They will report to these stations immediately in emergency or on mobilisation.

47. Our Army in Europe, which will be maintained at a strength of 4 Divisions, is being organised, trained and equipped with a wide variety of up-to-date weapons. But the threat of hot war is not limited to Europe. The Army must plan and prepare for eventualities which may arise in the Middle East or the Far East as well.

48. The main effect of nuclear weapons on the land battle is greatly to increase the need for flexibility so as to be able to move from dispersion to concentration as quickly, and with as little confusion, as possible. Greater elasticity of outlook by Commands at all levels will be required; the organisation of fighting units and their equipment also need modification. Experimental organisations and a revised scale of weapons and equipment, including transport, are being worked out. These will be tried out in manoeuvres this year. The organisation of supporting arms and services will also have to be adjusted to enable them to back up the fighting units.

49. In the field of Anti-Aircraft Defence it has become obvious that anti-aircraft guns can no longer be deemed effective against the speed and height of aircraft carrying thermo-nuclear weapons in attacks on area targets. Consequently, as already announced, the A.A. Command structure in the United Kingdom is being abolished. Anti-aircraft guns will still, however, be needed in the field and for the local defence of certain vital targets against which the most likely threat is from precision bombing.

50. In a major war, the task of the Navy would be to secure the sea communications without which we cannot, for long, survive. The rapid and spectacular build-up of Soviet naval forces increases the difficulty of this task. For this purpose we need a fleet of ships and naval aircraft strongly equipped with the latest weapons, well trained and ready to fight from the outset of war. Special attention is therefore being given to immediate readiness. In particular, a radical reorganisation of the reserve fleet is now in progress. The emphasis will now be put on those ships which are, or can be made, ready for almost immediate service in an
emergency and all these will be refitted and maintained at the shortest possible notice. Consideration is also being given to the further dispersal of the Reserve Fleet both within and outside the United Kingdom.

51. The nature of the tasks to be undertaken by the forces stationed in the United Kingdom in the critical initial stage of a future war requires review. Even under conditions of nuclear attack some of these will be engaged on Service duties of absolute priority, for example, in the bomber counter-offensive; in the Air Defence of the United Kingdom; in getting the Navy to sea; in reinforcing, to the extent that is practicable, overseas theatres of war and in particular the Western front in Europe, and in protecting this island against airborne invasion. The Territorial, as well as the Regular, Army will have a vital rôle to play. It is clear, however, that Service units at home not directly employed in operations would have to be used largely to aid the civilian population. Plans to enable them to carry out this task are, therefore, being developed. Section VIII of this Statement deals with these plans in more detail and outlines the proposed functions and organisation of the Mobile Defence Corps.

52. Within the limit of our resources, therefore, we are planning for a better equipped and maintained Active Fleet and a reduced but much more highly prepared Reserve Fleet; a smaller, better disposed, more mobile Army; and a more powerful Air Force including, in particular, an effective strategic bomber force. All these forces must be armed with the most modern weapons.

III.—FINANCE

53. Despite the economic progress of the United Kingdom in the past year, the Government must continue to bear in mind the broad economic situation, since the importance of maintaining a balance between the demands of defence and other claims on our resources necessarily imposes a financial limitation on the defence programme. As explained in the Statement on Defence, 1954, our balance of payments is also affected, directly by our overseas military expenditure and indirectly through the diversion of production resources from exports and capital equipment. The defence programme has been reviewed over the past year in the light of these considerations, as well as of the strategic background outlined above.

54. There are two further relevant factors. The first is the progressive reduction in the external economic aid on which we have hitherto been able to rely. The second is the probability that, from about the beginning of the financial year 1956–57, the bulk of the local costs of our forces in Germany will no longer be met by contributions from the Federal Republic and will fall on our own Defence Budget. Both have budgetary and balance of payments implications.

55. There are also certain military considerations which affect the character of next year’s Defence Budget. First the risk of a major war in the immediate future appears to have receded; this applies particularly to the present period of Western predominance in nuclear capability. This argument must not be carried too far; the reduction of international tension in the past
few years has been largely due to the growing military strength of the free world. We must not reverse this trend. But the present situation enables some reductions to be made in production for the forces, partly of interim types of weapons and other items of equipment; and partly of those regarded as less essential in the type, and especially the initial phase, of any major war as now foreseen.

56. Secondly, the decision to abolish Anti-Aircraft Command will lead to a reduction in expenditure.

57. Thirdly, a fairly considerable decline in the manpower of the Armed Forces, particularly in the Army, is foreseen which will be accompanied, (also mainly in the case of the Army) by measures of reorganisation made possible by the reduction in our overseas commitments now in progress. These reductions will themselves lead ultimately to further economies but they will largely be offset in the year immediately ahead by increased capital and movement costs arising from redeployment.

58. In addition, the Defence Estimates for 1953–54 were, and those for 1954–55 will be, considerably underspent mainly because of development difficulties associated with the newer equipments and also because of unavoidable delays in works services. The experience gained in the last two years of a whole range of factors which condition the rate of expenditure in these fields has been taken into account in preparing the estimates for 1955–56.

59. Taking all these factors into account, the total of the Defence Budget proposed for 1955–56 (not allowing for receipts from American Aid) is £1,537.2 million compared with £1,639.9 million for 1954–55. Allowing for American Aid the figures are £1,494.2 million for 1955–56 compared with £1,554.54 million for 1954–55.

Summary of Estimates 1955–56

60. The following tables compare the estimates for 1955–56 with those for 1954–55. An analysis of the 1955–56 figures is provided in Annex II.

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American Aid

61. The total of £1,537.2 million for the Defence Budget includes provision for expenditure in 1955-56 representing £43 million of the sterling equivalent of aid from the United States of America. This aid, which is of four types, has been allotted as follows:

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<td>...</td>
<td>16.5</td>
<td>16.5</td>
</tr>
<tr>
<td>Additional R.A.F. Programme</td>
<td>...</td>
<td>...</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>6.5</td>
<td>10</td>
<td>26.5</td>
<td>43</td>
</tr>
</tbody>
</table>

The nature of Defence Support Aid and Agricultural Commodity Aid was described in paragraph 21 of the Statement on Defence 1954 (Command 9075). Receipts in these categories in 1954-55 will be lower than expected and the amounts provided for 1955-56 represent the balances outstanding, together with £6 million of Defence Support Aid previously allotted to the United Kingdom and expected to accrue in 1955-56. The provision for Special Aircraft Purchase (£16.5 million) is made up of two elements. Firstly, the £30.36 million provided in the 1954-55 Estimates and described in paragraph 21 of Command 9075 will not all be received in that year, and the 1955-56 provision therefore takes account of the balance still to be received. Secondly, legislation passed by the United States Congress in 1954 provides that surplus agricultural commodities to the value of $35 million may be sold to the United Kingdom and the sterling proceeds used by the United States Government for payments in respect of military aircraft manufactured in the United Kingdom and required by the United Kingdom forces for the defence of the North Atlantic area. The provision of £16.5 million includes those receipts estimated to accrue in 1955-56 under this new arrangement, upon which, however, final decisions remain to be taken by the two Governments. The remaining item of aid is £10 million in respect of aircraft and equipment to be bought, under contracts already placed, from Her Majesty's Government by the United States Government, and to be made available to the Royal Air Force in support of the expansion and modernisation of that Service. The £10 million covers the initial part of a programme from which receipts are to be spread over approximately three years.
IV.—MANPOWER

Active Forces

62. Regular Recruitment and Strengths.—The following table gives the number of male regular recruits entered in each Service in each of the financial years 1951-52 to 1953-54, and the number which it is estimated will be entered in the financial years 1954-55 and 1955-56:

<table>
<thead>
<tr>
<th>MALE REGULAR RECRUITS</th>
<th>Actual</th>
<th>Estimated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11,100</td>
<td>10,100</td>
</tr>
<tr>
<td>Army</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>32,700</td>
<td>50,800</td>
</tr>
<tr>
<td>R.A.F.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>41,200</td>
<td>38,600</td>
</tr>
<tr>
<td>Total</td>
<td>85,000</td>
<td>99,500</td>
</tr>
</tbody>
</table>

63. The following table gives the male regular strength of officers and other ranks at April 1953 and April 1954 and the estimated strengths (allowing for normal outflow and wastage, and for present regular recruiting trends) at April 1955 and April 1956:

<table>
<thead>
<tr>
<th>MALE REGULAR STRENGTH</th>
<th>Actual</th>
<th>Estimated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 April 1953</td>
<td>1 April 1954</td>
</tr>
<tr>
<td>Navy</td>
<td>133,700</td>
<td>121,000</td>
</tr>
<tr>
<td>Army</td>
<td>211,300</td>
<td>216,900</td>
</tr>
<tr>
<td>R.A.F.</td>
<td>188,900</td>
<td>186,500</td>
</tr>
<tr>
<td>Total</td>
<td>533,900</td>
<td>524,400</td>
</tr>
</tbody>
</table>

64. In the Statement on Defence 1954 (paragraph 29), it was pointed out that because so large a proportion of the regular recruits of the Army and R.A.F. entered on the new three and four-year engagements, there was considerable difficulty in building up and maintaining a “hard core” of men of long service and experience. It was essential, for this purpose, that a good proportion of the short-term regular recruits should prolong their service. It was mainly to provide inducements for prolongations of service that selective increases in service emoluments were introduced in April 1954 (Cmd. 9088). The results of these pay increases cannot yet be finally assessed. In the Navy, which is particularly concerned that as many men as possible should extend their medium term seven-year engagements, the results, so far, are not encouraging. In the Army, while prolongations from men serving on the older (five-year and longer) engagements have shown a welcome increase it is still too early to assess the effects on men serving on the three-year engagement. In the R.A.F. the results have been distinctly better, and there has been a definite improvement in the trades of highest skill as a direct result of the April 1954 pay increases. It remains, however, a cardinal manpower problem to induce adequate numbers of men to prolong their current engagements. If it is not solved, not only will it be necessary
to devote excessive resources to training, movements and administrative overheads inseparable from too high a proportion of short-service men but the general level of skill and experience in the Services will inevitably suffer.

65. **National Service Requirements.**—On present estimates of regular recruiting and prolongations of engagements, the Services will require in 1955–56 to enter about 198,000 national service men, or men who undertake regular engagements in lieu. These are allocated as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navy</td>
<td>7,500</td>
</tr>
<tr>
<td>Army</td>
<td>130,500</td>
</tr>
<tr>
<td>R.A.F.</td>
<td>60,000</td>
</tr>
</tbody>
</table>

66. **Total Size of Active Forces.**—During 1955–56 the total strength of the active forces is expected to decline by about 34,000 to about 788,000. In the following table, total strength at 1st April, 1954, is compared with estimated strengths at 1st April, 1955, and 1st April, 1956. A detailed analysis is given in Table 1 of Annex I.

<table>
<thead>
<tr>
<th>Total Active Strength</th>
<th>(Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
</tr>
<tr>
<td>1st April, 1954</td>
<td>524.4</td>
</tr>
<tr>
<td>1st April, 1955</td>
<td>298.3</td>
</tr>
<tr>
<td>1st April, 1956</td>
<td>23.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulars</th>
<th>National Service</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>845.8</td>
<td>823.3</td>
<td>788.0</td>
</tr>
</tbody>
</table>

**Reserve and Auxiliary Forces**

67. **Recruitment and Strength.**—The strength of the reserve and auxiliary forces, including part-time national service men, increased during 1954 from about 571,000 at 1st January, 1954, to about 647,000 on 1st January, 1955. The number of volunteers increased from 114,000 to 117,000.

68. The total strength of the national service reserve increased from about 457,000 at 1st January, 1954, to about 466,000 at 1st January, 1955. It will remain constant at about this latter figure for the further five years ending in 1959, for which Parliament has sanctioned the continuance of the current national service scheme, since the numbers completing their period of obligatory part-time service will be about balanced by new entries into the reserve on completion of colour service. The number of men who had undertaken a voluntary engagement in the reserve and auxiliary forces in lieu of part-time training liability increased from about 62,500 to about 64,500 during 1954.

69. Table 2 of Annex I compares the strength of the volunteer reserve and auxiliary forces at 1st January, 1954, and 1st January, 1955.

**Future of the National Service Scheme**

70. The Government have, naturally, considered whether any of the changes in defence policy which flow from the development of nuclear weapons affect the current scheme of National Service.
71. Apart from building up trained reserves for an emergency, national service makes an essential contribution to the efficiency of the active forces in two main respects. First it provides the number of men necessary to ensure that the Active Forces are able to carry out their commitments; secondly it provides skilled men and junior leaders, both officers and non-commissioned officers.

72. Some redeployment of our Forces will take place following reductions in strength in Korea and the Middle East and the withdrawal of the Trieste garrison. But there will be a considerable reduction in regular strength during the course of 1955–56. And it will still be necessary for us to maintain strong Forces in many parts of the world. The building up of an adequate strategic reserve in the United Kingdom is an essential feature of our policy. Any appreciable reduction in the present period of two years’ colour service for national service men would mean that there would not be sufficient numbers of fully trained men to fulfil our commitments. Moreover the ratio between productive service and time under training would be reduced. In general, our Forces would be less effective and less efficient. The Government would therefore be failing in their duty were they to propose, at the present time, any reduction in the current period of whole-time National Service.

Colonial Forces

73. At the present time the Malay Regiment, the Federation Regiment and a Battalion of the Fiji Regiment, in addition to the Royal Malayan Navy and the R.A.F. Regiment (Malaya), are actively engaged against the terrorists in Malaya. Six King’s African Rifles Battalions are in Kenya, the seventh provides the garrison of Tanganyika and Mauritius, and two companies are in Uganda. The Kenya Regiment, the East Africa Independent Motor Squadron, and the East African Heavy Anti-Aircraft Battery are also serving in Kenya.

74. The present strength of the armed forces raised by the Colonial territories is about 63,000. This figure is expected to fall slightly to about 43,000 by March 1956 as pioneer units hitherto employed in the Middle East are disbanded. In addition, in certain Colonial territories local personnel are enlisted in the United Kingdom forces. These now number 14,000. The number of United Kingdom Officers and N.C.O.’s providing the necessary leadership and cadres for the organised units of the Colonial Forces is about 5,000.

V.—RESEARCH AND DEVELOPMENT

75. The provision for research and development in 1955–56 is about the same as in 1954–55.

76. As has already been stated, until there is international agreement on effective disarmament, our defence policy will continue to be based primarily upon the maintenance of the nuclear deterrent to aggression. This is reflected in the defence research and development programme. The work
carried out in previous years is coming to fruition in a steadily growing stock of nuclear weapons. Further work, however, is proceeding with the object of increasing the variety and power of these weapons.

77. The development and production of manned bombers—the primary means of delivering nuclear weapons—is proceeding satisfactorily. The programme also contains other projects designed to ensure the maintenance and improvement of an effective deterrent to aggression.

78. For the air defence of the United Kingdom, the development of both high-performance manned fighters and guided missiles will continue. The development of new fighter aircraft has been passing through a stage of great difficulty. This has been due mainly to the rapidity of technical advances, and to decisions taken in the period 1945-50 and during the Korean War.

79. The supply of aircraft to the Services is examined in detail in a separate White Paper (Cmd.  ).

80. The main effort in the development of guided weapons is devoted to providing defence against bombers flying at high speeds and at great altitudes. Against this threat, heavy and medium A.A. guns will in the future be of little value. The future air defence system of the United Kingdom will have as its main components the manned fighter and the ground-to-air guided weapon. The proportions between these weapons will vary with new developments, but it is clear that for a long time to come both will be needed to combat the bomber threat. The effectiveness of our manned fighters will be increased by fitting air-to-air guided weapons capable of engaging enemy aircraft at longer ranges and with a much greater certainty of success than is possible with aircraft armed only with cannon. Development of these air-to-air guided weapons, incorporating a variety of techniques, has reached an advanced stage.

81. The surface-to-air guided weapons for use from the land and from ships which are under development are of relatively greater complexity than air-to-air missiles, and the time required to develop an effective operational weapon system is necessarily longer. Nevertheless good progress has been made and numerous trial firings are taking place both in this country and in Australia.

82. The Long Range Weapon Establishment and the Woomera range, set up in Australia under the Joint United Kingdom/Australian Guided Weapon Project are playing a rapidly increasing and essential part in the later stages of development and testing of both air-to-air and surface-to-air guided weapons.

83. We have also to take account in the guided weapon research and development programme of the fact that the manned bomber may eventually be supplemented by the ballistic rocket. We are, therefore, working on the development of such a rocket as a deterrent and on methods of defence against attacks of this nature.

84. There is close collaboration with the United States in the guided weapon field. Comprehensive arrangements have been made for the exchange of information and of visits by technical personnel. The nature of the potential
threat from the air to the two countries differs in many significant aspects. As a result, the weapons required by each country must often have different characteristics. Nevertheless, the arrangements for co-operation with the United States enable us to derive great advantage from the larger development effort and the more extensive resources that the United States have been able to devote to the new defence science, and at the same time to make a valuable contribution of our own.

85. New possibilities for development of guided weapons are opening up with great rapidity. In planning the programme for the equipment of the Services, it is essential, therefore, to avoid the danger of devoting our necessarily limited resources to the development and production of weapons employing techniques which will quickly become obsolete owing to the advent of new knowledge.

86. It may be asked why we are not as advanced as our American allies. The simple answer is that we did not start until three years after them. The experimental establishments and the firms associated with the guided weapons programme have every reason to be proud of the work they have done: it will stand up favourably to comparison, both in quality and in rate of progress, with any in the world.

87. In framing the Naval Research and Development Programme both the offensive and defensive roles of the Fleets have been most closely studied. The improvement of weapons for use against fast and heavily armed cruisers, high speed submarines of great underwater endurance and long range aircraft has made great progress, and technical advances of the highest operational importance are at this moment being achieved. The development of shipborne guided weapons systems is well under way. The success of recent developments in aircraft carriers and their equipment will make it possible to use at sea heavier and faster fighter and strike aircraft, the latter being capable of carrying atomic bombs.

88. The Research and Development Programme as a whole has recently been fully reviewed taking account of the existence of nuclear weapons. Though at first sight it might appear that the introduction of these devastating weapons would permit wholesale reductions in our activities in other directions, there are many situations in which the use of nuclear weapons would be militarily unsound, and it is still necessary for us to maintain our effort in the development of other weapons. What is more, many of the projects on which we are expending a great deal of work at the present time are completely unproven, and it would not be proper in the interest of the defence of the country to take unreasonable risks in all other directions.

89. We are continuing to develop close collaboration over the whole field of defence research and development with the other countries of the Commonwealth as well as with the United States.

90. The Statement on Defence 1954 pointed out that, because of their extreme complexity and novelty, the time taken to put the newer types of weapons through all the various stages of research and development into production “tends to be very much longer than in the past.” It can be dangerous and misleading to ignore this fact. It is a mistake to assume,
because it is announced that nuclear weapons, guided missiles, supersonic aircraft, and so on are under development, that they are practically ready for use in operations, and this applies equally to the United Kingdom and all other countries.

VI.—PRODUCTION

91. Expenditure on production was a good deal less than the estimate in 1953–54 and there will be certain underspendings in the current financial year. It is now apparent that, in framing the estimates for both years, an inadequate allowance was made for the development difficulties associated with the newest equipment. For this reason and also because the production of some types of equipment can in present circumstances be reduced, the total amount to be provided for defence production in 1955–56 has been estimated at £610 million.

92. There have in fact been no serious production as distinct from development difficulties. The development difficulties in the aircraft field are explained in the separate White Paper on aircraft supply. In general the current rate of development leads, if we are to keep pace, to relatively short runs of production. This factor, added to technical complexities, makes the organisation of production by no means easy. The problem is less one of mass production of relatively simple equipment, than of the "tailor-made" production of relatively small quantities of highly complicated equipment.

93. The production programmes of the three Services in 1955–56 will be described in detail in the memoranda accompanying their respective Estimates. The following are among their principal features.

94. In the Navy the design of a new system of power-operated armament has been sufficiently proved to make it possible to resume work on the three "Tiger"-Class Cruisers which will have exceptionally high fire-power. The submarine new construction programme will continue; a high-speed experimental submarine will, it is expected, be completed in 1955–56. Steps will be taken to enable a start to be made with the construction of a new type of ship designed to meet the conditions of the future. An experimental Guided Weapon Ship, converted from a Maintenance Ship, is nearing completion and her trials, planned to begin in 1956, will have an important bearing on future designs. Increased effort will be devoted to refitting ships of both the active and reserve fleets to improve their efficiency and readiness. Economies in the provision of naval aircraft will flow from the reduced accident rate expected with the introduction into our carriers of the angled deck and the mirror landing device.

95. The long-term plan for the re-equipment of the Army will continue. During the year the first of a new range of wireless sets will be issued; new L.A.A. guns, new radar for the field forces and new sub-machine guns will also reach the troops. Large-scale trials of the F.N. rifle will be carried out both at home and overseas.

96. The re-equipment of the Royal Air Force with more modern and advanced types of aircraft and equipment will be accelerated in 1955–56. Further comment is contained in the separate White Paper referred to in
paragraph 79. The first stage of the expansion and modernisation of the radar network in overseas theatres will be completed and a start will be made on the next stage of the programme both for the United Kingdom and the Continent.

97. Offshore Procurement.—Contracts to the value of about $200 million were placed in the United Kingdom in 1954 under the off-shore procurement programme for the purchase by the United States of military equipment for N.A.T.O. countries, bringing the total value of such contracts up to $650 million. These covered the production of aircraft (Hunters, Javelins and Sea Hawks), ammunition, Centurion tanks and electronic equipment.

98. Military Aid from the United States and Canada.—We have continued to receive equipment under the United States Mutual Security Act, some being produced in this country under the off-shore procurement programme. The United States has also assisted in expanding our capacity for the manufacture of propellants and explosives by providing the plant under off-shore contracts while we bear the cost of the buildings.

99. The Canadian mutual aid programme has continued. Among the items received by the United Kingdom are anti-aircraft radar, ammunition, propellants and explosives.

VII.—CO-OPERATION WITHIN THE COMMONWEALTH AND WITH INTERNATIONAL ORGANISATIONS

Commonwealth

100. Close co-operation and day-to-day consultations on defence matters between the United Kingdom and the other Commonwealth countries continue at all levels.

101. It was announced last autumn that, consequent on the reduction of the American forces in Korea, it had been agreed that the Commonwealth land forces in Korea should be reduced by two-thirds. This reduction is nearly completed. The forces remaining will continue as a separate Commonwealth formation. In the Middle East and the Far East units from other Commonwealth countries have continued to serve alongside United Kingdom forces.

North Atlantic Treaty Organisation

102. At their meeting in Paris in December, 1954, the N.A.T.O. Council, in addition to considering the report on the most effective pattern of N.A.T.O. military strength referred to in paragraph 23, also considered the Annual Review for 1954. They noted that there had been an increase in the strength of N.A.T.O. forces and further steady improvements in their efficiency over the past year. This improvement in quality resulted from increases in operational and support units, from the supply of large quantities of new equipment and from large-scale combined exercises.

103. The Agreements signed in Paris in October, 1954 (Cmd. 9304) provide for a number of organisational changes which will strengthen the cohesion and unity of N.A.T.O. forces on the Continent.
Western European Union

104. The Paris Agreements also revise and extend the Brussels Treaty of 1948 and provide for the accession of Germany and Italy to the Western European Union. On the political side they mark a further movement towards the unity of Europe. On the military side this organisation will control the level of armaments and the size of the forces of member countries on the Continent and will thus provide the instrument for a controlled rearmament of Germany.

South-East Asia Collective Defence Treaty

105. In September 1954 a collective defence treaty for the South-East Asia Area was signed by the Governments of Australia, France, New Zealand, Pakistan, the Philippines, Siam, the United Kingdom and the United States. The Foreign Ministers of these Governments are to meet shortly in Bangkok to consider arrangements for the fulfilment of the provisions of the treaty and to exchange views on matters affecting the peace and security of the treaty area.

VIII.—HOME DEFENCE

106. Home defence measures, by demonstrating the country’s determination to resist aggression in all its forms, buttress the resolution needed to sustain an effective deterrent policy. Against the thermo-nuclear attack of the future the best defence of the civil population in this small, crowded and vulnerable island is to try and ensure that it never materialises. But we must also in common prudence continue to provide financial and other resources for some measure of insurance in case we should fail in our main aim of averting war. The extent of these precautions and the speed at which they should be put in hand will vary from time to time with changes in the international situation and with the progress of our defence effort.

107. An outline has been given in paragraph 5 of the effect which the use of thermo-nuclear bombs would have. The very grimness of this prospect is a potent influence in restraint of war, yet if war should come despite our efforts to prevent it, there is still much that can and must be done to mitigate the effects of a thermo-nuclear attack.

108. The new form of this threat to our security calls for a complete overhaul of our home defence plans. These must be conceived not in terms of our experience in the last war nor even of the threat posed by the atomic bomb. The advent of the hydrogen bomb calls for an entirely new approach. But the Government have not yet fully assessed the implications of the latest weapon developments. This applies particularly to the extensive radio-active contamination which may be caused by the fall-out from a hydrogen bomb burst at ground level. Until an appreciation has been completed, it would be unwise to embark upon measures which may later prove to be misdirected. The present superiority of the Western Alliance in nuclear weapons is a powerful deterrent to war and affords justification for avoiding hasty decisions.
Civil Defence Services

109. We cannot, nor ever will be able to, forecast the precise effect or the extent of any nuclear attack against this country. Some areas would be destroyed, some would be on the fringe of devastation, others would escape direct damage by blast and heat. Still less can we forecast the pattern of radio-active contamination which might result from the attack. It would be quite wrong for people to assume that their neighbourhood would be sure to receive a direct hit and that they would therefore be unable to help themselves or others. It would be equally mistaken to assume that any part of the country would escape the effects of the attack and have no need of help.

110. The need for rescue, fire-fighting and welfare operations would be as great as ever. The presence of radio-activity would have to be detected and measured, and the necessary warning given to the public. The first call would have to be met by the civilian services on the spot organised by the local authorities, with the help of the Civil Defence Corps, and the Industrial Civil Defence Service, the Auxiliary Fire Service and the Women’s Voluntary Services, and by the National Hospital Services (including the National Hospital Service Reserve) supported by the voluntary aid societies. Every individual citizen would be needed; common sense and good neighbourliness demand that everyone should be ready to take part.

The Role of the Armed Forces

111. But the local services, though vital, would not in themselves be sufficient. They would need to be supported by all the formed and disciplined bodies of the armed forces that were available in this island. The Government have therefore decided that all members of the armed forces, including the Home Guard, will in future receive training in elementary civil defence duties as part of their normal military training. This will enable them to play an effective part in assisting the local civil defence services, in addition to carrying out their active operational rôle.

The Mobile Defence Corps

112. For this purpose an effective link is needed between the local civil defence forces and the organised bodies of the armed forces. This must be a disciplined body under direct military control, consisting of Service personnel and capable of rapid deployment in support of the local civil defence services wherever the need is greatest.

113. To provide this vital link the Government have decided to establish a Mobile Defence Corps specially trained in, and equipped for, fire-fighting and rescue and ambulance duties. The scope of these duties may be enlarged in time in the light of experience. Initially the aim will be to build up during the next three or four years a force of 48 reserve battalions, each of a minimum strength of about 600. Some of these will be trained and equipped to perform fire-fighting duties, others to perform rescue and ambulance duties. In an emergency these battalions, which will be distributed over the whole country, would be mobilised like any other unit of the reserve forces.

114. Men will be selected for the new Corps from the Army and R.A.F. and will receive one month’s whole-time training during the course
of their active service. Special training depots will be opened in various parts of Great Britain and the intention is that about 10,000 men a year will receive whole-time training at these depots. Sufficient accommodation will be available to receive the first intake of whole-time trainees towards the end of this year. On completion of their active service these men will be posted to a reserve battalion as near as possible to their homes. They will carry out their 15 days' annual reserve training with their battalions at the training depots.

115. As the new scheme develops the Government will consider the practicability of expanding the number of reserve battalions.

116. General responsibility for the new Corps will rest with the War Office but a certain proportion of the training depots and of the reserve battalions will be manned by the R.A.F. In the event of mobilisation the reserve battalions would come under the operational control of the local Army Commander who would deploy them in consultation with the civil defence regional authorities.

117. The permanent instructional and administrative staffs required at the training depots will be found from within the active Army and R.A.F. and by the employment where appropriate of civilians. The more senior officers and N.C.O.s. of the reserve battalions will have to be found from volunteers and the Government are confident that adequate numbers with the necessary Service experience will see in this new development an opportunity for serving their country in a vital and exacting rôle.

Scheme for Training R.A.F. Class H Reservists in Civil Defence Duties

[118. No new legislation will be necessary to enable members of the armed forces to receive civil defence training. The Civil Defence (Armed Forces) Act, 1954, provides for National Service reservists to be given part-time training in civil defence duties during their period of reserve training liability. As has already been announced, it was proposed to begin during 1955 training in these duties certain R.A.F. Class H reservists who would not be required for service with the R.A.F. on mobilisation. The arrangements for training Class H reservists will be continued, though some modifications will be necessary to adapt them to the new scheme. Priority will be given to the new Mobile Defence Corps which will provide trained units as against individuals with certain basic training. Class H reservists will, however, be trained and used to the greatest extent possible within the scope of the new plan.]

Evacuation and Shelter

119. Besides reviewing the rôle of the armed forces in home defence the Government are also re-examining all civil defence policies, notably those on evacuation and shelter. These must now take account not only of blast and heat but also of radio-active fall-out. The distinction between evacuation, neutral and reception areas will be far less easy to make than in the past, since the effects of fall-out would be felt over wide areas of the countryside and the relative safety of rural areas would be correspondingly reduced.
Nevertheless some areas, primarily those with the greatest concentration of population and industry, would still be more vulnerable than others. There would therefore be some advantage in spreading the risk by a measure of dispersal into rural areas and the less vulnerable towns so long as this enabled the community to continue to function effectively.

120. Within a few miles of the point of burst it would be quite impracticable to provide protection against the violent explosive power of a hydrogen bomb. But beyond the area of devastation by blast and heat a considerable degree of protection against the effects of fall-out, during the period of intense radiation, could be secured by shelter which need not be of very elaborate construction, for example by a trench with overhead earth cover. This would have to be allied with disciplined behaviour on the part of the population and with the observance of cleansing precautions after the attack.

121. Study of the implications of fall-out must, however, be carried further before the Government can determine the right policies both for shelter and evacuation.

Casualties and Homeless

122. A single hydrogen bomb explosion on a built-up area would take very heavy toll of life and leave very large numbers of people injured and homeless. To the increased casualties resulting directly from the greater destructive effects of the hydrogen bomb there would have to be added the large numbers of people affected or suspected of being affected by radioactivity. Planning of the casualty services must, therefore, take account of this tremendously increased burden.

123. The need to care for those who have had to leave their homes, whether in the course of evacuation or through the destruction or contamination of their houses, would present a formidable problem in providing billets and rest centres. Full use would have to be made of every type of building in the areas to which the homeless were moved and emergency feeding arrangements would have to be provided. Plans prepared in advance to deal with such a situation would have to be supplemented on the widest possible scale by improvisation and by the readiness on the part of local authorities and the public generally to do whatever they could to help themselves and each other.

Communications

124. The maintenance of communications would be vital, not only to meet the operational needs of the fighting services and of civil defence, but also to make possible the organisation of supplies and movement and to disseminate essential information. The Post Office are therefore planning to build up a special network, both by cable and by radio, designed to maintain long-distance communication in the event of attack.

Ports

125. A large part of the imports into this country enters through the major ports which are vulnerable to thermo-nuclear attack. Plans have therefore
been drawn up for the provision of alternative facilities, including the use of smaller ports and harbours. Much practical work has been done to implement them. These arrangements cover dry cargo and oil and take account of the internal distribution of cargoes once landed.

Stockpiling

126. After the initial attack there would be a period during which the import and distribution of normal supplies of food and materials would be very seriously disrupted. It would be necessary to have available stocks of essential commodities, widely distributed so that they might so far as possible escape destruction or contamination. Those which would be chiefly needed would be food, in the most convenient form for storage and emergency feeding purposes, and oil, which would be required in large quantities for emergency transport and also for other purposes such as heating and cooking. Progress will be made in the coming year in building up reserves of such essential supplies.

Finance

127. In the financial year 1955–56, which will be an interim year while policy is being reshaped, £65 million has been provided for defence expenditure by Civil Departments (including loan expenditure by the Post Office). In addition there will be the cost of the Mobile Defence Corps. The Government will keep under review the balance between expenditure on the active forces and on home defence. It is, of course, the former which provides for the main deterrent to war and so for the basic security of the civil population. An analysis of defence expenditure by Civil Departments is given in Annex III.

Conclusion

128. The Government do not claim that they have yet found solutions to all the many and varied problems, some of which have been outlined in this paper, posed for home defence by the advent of thermo-nuclear weapons. What is said here will be amplified by further statements as the Government’s studies and planning proceed. They believe, however, that the country is entitled to know the gravity of the possible threat and to be given an indication of the lines on which the Government are working to meet it. They are confident that the people as a whole will be ready and willing to play their part in building that will to resist which is an essential part of the deterrent to aggression.
ANNEX I

TABLE 1.—ANALYSIS OF ACTIVE STRENGTHS

(Figures in thousands)

<table>
<thead>
<tr>
<th></th>
<th>1st April, 1954 (actual)</th>
<th>1st April, 1955 (estimate)</th>
<th>1st April, 1956 (estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Navy</td>
<td>Army</td>
<td>R.A.F.</td>
</tr>
<tr>
<td>Regular</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>121.0</td>
<td>216.9</td>
<td>186.5</td>
</tr>
<tr>
<td>National Service</td>
<td>7.8</td>
<td>221.2</td>
<td>69.3</td>
</tr>
<tr>
<td>Women</td>
<td>5.0</td>
<td>8.8</td>
<td>9.3</td>
</tr>
<tr>
<td>Total</td>
<td>133.8</td>
<td>446.9</td>
<td>265.1</td>
</tr>
</tbody>
</table>
# ANNEX I

## TABLE 2.—ANALYSIS OF VOLUNTEER RESERVE AND AUXILIARY FORCES AND NATIONAL SERVICE RESERVES

<table>
<thead>
<tr>
<th></th>
<th>Strength at 1st January, 1954</th>
<th></th>
<th></th>
<th></th>
<th>Strength at 1st January, 1955</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Normal Volunteers</td>
<td>Volunteers from N.S.</td>
<td>Part-time N.S.</td>
<td>Total</td>
<td>Normal Volunteers</td>
<td>Volunteers from N.S.</td>
<td>Part-time N.S.</td>
<td>Total</td>
</tr>
<tr>
<td><strong>Royal Navy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal Naval Reserve</td>
<td>3,738</td>
<td>-</td>
<td>-</td>
<td>3,738</td>
<td>4,201</td>
<td>-</td>
<td>-</td>
<td>4,201</td>
</tr>
<tr>
<td>Royal Naval Volunteer Reserve</td>
<td>9,042</td>
<td>1,070</td>
<td>439</td>
<td>10,551</td>
<td>8,922</td>
<td>1,674</td>
<td>861</td>
<td>11,457</td>
</tr>
<tr>
<td>Royal Marine Forces Volunteer Reserve</td>
<td>1,055</td>
<td>149</td>
<td>-</td>
<td>1,204</td>
<td>1,046</td>
<td>347</td>
<td>-</td>
<td>1,393</td>
</tr>
<tr>
<td>Royal Naval Special Reserve</td>
<td>-</td>
<td>-</td>
<td>9,629</td>
<td>9,629</td>
<td>-</td>
<td>-</td>
<td>7,817</td>
<td>7,817</td>
</tr>
<tr>
<td>Women's Royal Naval Volunteer Reserve</td>
<td>1,252</td>
<td>-</td>
<td>-</td>
<td>1,252</td>
<td>1,344</td>
<td>-</td>
<td>-</td>
<td>1,344</td>
</tr>
<tr>
<td><strong>Army</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Territorial Army</td>
<td>60,310</td>
<td>55,776</td>
<td>136,694</td>
<td>252,780</td>
<td>65,101</td>
<td>54,900</td>
<td>177,443</td>
<td>297,444</td>
</tr>
<tr>
<td>Women's Royal Army Corps (T.A.)</td>
<td>9,569</td>
<td>-</td>
<td>-</td>
<td>9,569</td>
<td>8,567</td>
<td>-</td>
<td>-</td>
<td>8,567</td>
</tr>
<tr>
<td>Queen Alexandra’s Royal Army Nursing Corps (T.A.)</td>
<td>200</td>
<td>-</td>
<td>-</td>
<td>200</td>
<td>197</td>
<td>-</td>
<td>-</td>
<td>197</td>
</tr>
<tr>
<td>Army Emergency Reserve</td>
<td>10,245</td>
<td>3,019</td>
<td>123,366</td>
<td>136,630</td>
<td>11,243</td>
<td>4,538</td>
<td>143,088</td>
<td>158,869</td>
</tr>
<tr>
<td>Women's Royal Army Corps (A.E.R.)</td>
<td>37</td>
<td>-</td>
<td>-</td>
<td>37</td>
<td>37</td>
<td>-</td>
<td>-</td>
<td>37</td>
</tr>
<tr>
<td>Queen Alexandra’s Royal Army Nursing Corps (A.E.R.)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td>25</td>
</tr>
<tr>
<td><strong>Royal Air Force</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal Auxiliary Air Force</td>
<td>5,745</td>
<td>763</td>
<td>-</td>
<td>6,508</td>
<td>5,631</td>
<td>774</td>
<td>-</td>
<td>6,405</td>
</tr>
<tr>
<td>Women's Royal Auxiliary Air Force</td>
<td>2,415</td>
<td>-</td>
<td>-</td>
<td>2,415</td>
<td>2,036</td>
<td>-</td>
<td>-</td>
<td>2,036</td>
</tr>
<tr>
<td>Royal Air Force Volunteer Reserve</td>
<td>9,913</td>
<td>1,659</td>
<td>-</td>
<td>11,572</td>
<td>8,722</td>
<td>2,181</td>
<td>-</td>
<td>10,903</td>
</tr>
<tr>
<td>Women's Royal Air Force Volunteer Reserve</td>
<td>-</td>
<td>-</td>
<td>523</td>
<td>523</td>
<td>388</td>
<td>-</td>
<td>-</td>
<td>388</td>
</tr>
<tr>
<td>Royal Air Force Reserve of Officers (N.S.) and Class H of the Air Force Reserve</td>
<td>-</td>
<td>-</td>
<td>124,364</td>
<td>124,364</td>
<td>-</td>
<td>-</td>
<td>136,314</td>
<td>136,314</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>114,044</td>
<td>62,436</td>
<td>394,492</td>
<td>570,972</td>
<td>117,460</td>
<td>64,414</td>
<td>465,523</td>
<td>647,397</td>
</tr>
</tbody>
</table>
## ANNEX II

### Division of the Defence Budget under the Principal Headings

<table>
<thead>
<tr>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Financial Year, 1955–56</th>
<th>(\£ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pay, &amp;c., of Service Personnel</td>
<td>53.82</td>
<td>0.73</td>
<td>53.09</td>
<td>135.84</td>
<td>16.22</td>
<td>119.62</td>
<td>88.96</td>
</tr>
<tr>
<td>2</td>
<td>Pay, &amp;c., of Reserve, Territorial and Auxiliary Forces and grants for administration, &amp;c.</td>
<td>1.96</td>
<td>0.19</td>
<td>1.77</td>
<td>16.43</td>
<td>61.00</td>
<td>54.63</td>
<td>2.02</td>
</tr>
<tr>
<td>3</td>
<td>Pay, &amp;c., of Civilians</td>
<td>46.48</td>
<td>45.92</td>
<td>69.30</td>
<td>1.58</td>
<td>67.72</td>
<td>39.82</td>
<td>5.08</td>
</tr>
<tr>
<td>4</td>
<td>Movements</td>
<td>14.11</td>
<td>13.95</td>
<td>13.95</td>
<td>13.95</td>
<td>13.95</td>
<td>1.43</td>
<td>1.43</td>
</tr>
<tr>
<td>5</td>
<td>Supplies—</td>
<td>17.28</td>
<td>12.29</td>
<td>4.27</td>
<td>0.57</td>
<td>17.84</td>
<td>19.72</td>
<td>18.15</td>
</tr>
<tr>
<td>(a) Petrol, oil and lubricants</td>
<td>12.29</td>
<td>9.85</td>
<td>4.44</td>
<td>8.87</td>
<td>34.18</td>
<td>19.72</td>
<td>18.15</td>
<td>12.68</td>
</tr>
<tr>
<td>(b) Food and ration allowance</td>
<td>4.27</td>
<td>2.58</td>
<td>1.69</td>
<td>5.62</td>
<td>34.18</td>
<td>19.72</td>
<td>18.15</td>
<td>12.68</td>
</tr>
<tr>
<td>(c) Fuel and light</td>
<td>0.57</td>
<td>0.34</td>
<td>0.34</td>
<td>0.34</td>
<td>0.34</td>
<td>2.14</td>
<td>2.14</td>
<td>2.14</td>
</tr>
<tr>
<td>(d) Miscellaneous</td>
<td>34.41</td>
<td>24.91</td>
<td>63.61</td>
<td>14.14</td>
<td>49.47</td>
<td>91.83</td>
<td>86.00</td>
<td>3.51</td>
</tr>
<tr>
<td>6</td>
<td>Production and Research†</td>
<td>195.31</td>
<td>28.12</td>
<td>167.19</td>
<td>155.25</td>
<td>139.00</td>
<td>292.00</td>
<td>254.00</td>
</tr>
<tr>
<td>Production and Research providing for the appropriation-in-aid of American aid receipts</td>
<td>195.31</td>
<td>34.62</td>
<td>160.69</td>
<td>155.25</td>
<td>139.00</td>
<td>292.00</td>
<td>254.00</td>
<td>667.84</td>
</tr>
<tr>
<td>7</td>
<td>Works—</td>
<td>23.89</td>
<td>0.69</td>
<td>1.68</td>
<td>1.69</td>
<td>22.89</td>
<td>33.32</td>
<td>0.01</td>
</tr>
<tr>
<td>(a) Works</td>
<td>23.89</td>
<td>22.89</td>
<td>33.32</td>
<td>0.01</td>
<td>33.32</td>
<td>0.01</td>
<td>12.70</td>
<td>0.48</td>
</tr>
<tr>
<td>(b) Rents</td>
<td>0.69</td>
<td>0.69</td>
<td>0.69</td>
<td>0.69</td>
<td>0.69</td>
<td>0.69</td>
<td>0.69</td>
<td>0.69</td>
</tr>
<tr>
<td>(c) Loan quarters</td>
<td>1.68</td>
<td>2.00</td>
<td>3.68</td>
<td>3.68</td>
<td>3.68</td>
<td>3.68</td>
<td>3.68</td>
<td>3.68</td>
</tr>
<tr>
<td>(d) Repayment of sums issued under the Armed Forces (Housing Loans) Acts, 1949 and 1953</td>
<td>0.12</td>
<td>0.12</td>
<td>0.12</td>
<td>0.12</td>
<td>0.12</td>
<td>0.12</td>
<td>0.12</td>
<td>0.12</td>
</tr>
<tr>
<td>8</td>
<td>Miscellaneous effective services</td>
<td>7.35</td>
<td>5.52</td>
<td>10.00</td>
<td>2.12</td>
<td>7.88</td>
<td>8.70</td>
<td>4.33</td>
</tr>
<tr>
<td>9</td>
<td>Non-effective charges</td>
<td>16.73</td>
<td>16.45</td>
<td>19.68</td>
<td>0.24</td>
<td>19.44</td>
<td>5.91</td>
<td>0.29</td>
</tr>
<tr>
<td>10</td>
<td>Totals before appropriation-in-aid of American aid receipts</td>
<td>391.55</td>
<td>347.00</td>
<td>542.75</td>
<td>58.75</td>
<td>484.00</td>
<td>621.35</td>
<td>80.95</td>
</tr>
<tr>
<td>11</td>
<td>Totals providing for the appropriation-in-aid of American aid receipts</td>
<td>391.55</td>
<td>347.00</td>
<td>542.75</td>
<td>58.75</td>
<td>484.00</td>
<td>621.35</td>
<td>80.95</td>
</tr>
</tbody>
</table>

**Note.**—The expenditure by the Ministry of Labour and National Service in administration of the National Service Acts and in connection with the examination of volunteers for Her Majesty's Forces is estimated at \£1.43 million.

* To avoid double-counting of payments by the Service Departments to the Ministry of Supply the cross totals of columns 2-6 have been reduced by \£472.98 million.

† Includes the cost of development work undertaken by industry under contract, and the purchase of stores and equipment for research and development establishments.
### Defence Expenditure by Civil Departments (Net)

<table>
<thead>
<tr>
<th>Department</th>
<th>Item</th>
<th>Class and vote</th>
<th>1955–56 estimate (£ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Departments</td>
<td>Grants to local authorities; production of equipment and materials, &amp;c.</td>
<td>Class III, 2</td>
<td>12.12</td>
</tr>
<tr>
<td>Health Departments</td>
<td>Grants to local authorities; works (emergency hospitals, &amp;c.); production of equipment and materials</td>
<td>Class V, 4</td>
<td>1.57</td>
</tr>
<tr>
<td>Housing (including Scotland)</td>
<td>Grants to local authorities, &amp;c.; production of equipment and materials</td>
<td>Class V, 1</td>
<td>0.52</td>
</tr>
<tr>
<td>Ministry of Food</td>
<td>Grants to local authorities; production of equipment and materials, &amp;c.; food storage installations, maintenance and replacement of food stocks; purchase of additional stocks</td>
<td>Class VIII, 10</td>
<td>18.36†</td>
</tr>
<tr>
<td>Ministry of Fuel and Power and Scottish Home Department</td>
<td>Due functioning of electricity and gas undertakings</td>
<td>Class IX, 6</td>
<td>0.60</td>
</tr>
<tr>
<td>Ministry of Fuel and Power</td>
<td>Oil storage and distribution; purchase of oil for stock</td>
<td>Class IX, 6</td>
<td>11.00</td>
</tr>
<tr>
<td>Ministry of Transport and Civil Aviation</td>
<td>Due functioning of railways, civil aviation and shipping; port facilities</td>
<td>Class IX, 3</td>
<td>2.47</td>
</tr>
<tr>
<td>Ministry of Works</td>
<td>Storage and accommodation</td>
<td>Class VIII, 3</td>
<td>0.98</td>
</tr>
<tr>
<td>Board of Trade</td>
<td>Maintenance and turnover of stocks of materials; balance of 1954–55 contracts for purchase of materials</td>
<td>Class VI, 3</td>
<td>4.20</td>
</tr>
<tr>
<td>Post Office</td>
<td>Communications</td>
<td>Met by loan</td>
<td>13.00</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>Various</td>
<td></td>
<td>0.39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>65.21</strong></td>
</tr>
</tbody>
</table>

† In addition, trading stocks to the value of £4.8 million are to be transferred to strategic reserves.
Statement on Defence
1955
### DEFENCE EXPENDITURE BY CIVIL DEPARTMENTS (NET)

<table>
<thead>
<tr>
<th>Department</th>
<th>Item</th>
<th>Class and vote</th>
<th>1955-56 estimate (£ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Departments</td>
<td>Grants to local authorities; production of equipment and materials, etc.</td>
<td>Class III, 12, 15</td>
<td>12.12</td>
</tr>
<tr>
<td>Health Department</td>
<td>Grants to local authorities; works, emergency hospital facilities; production of equipment and materials</td>
<td>Class V, 14</td>
<td>5.37</td>
</tr>
<tr>
<td>Housing (including Scotland)</td>
<td>Grants to local authorities; purchase of equipment and materials</td>
<td>Class VI, 10</td>
<td>0.52</td>
</tr>
<tr>
<td>Ministry of Food</td>
<td>Grants to local authorities; production of equipment and materials, and food storage; maintenance and renewal of local stores; purchase of additional stock</td>
<td>Class VIII, 31, 32</td>
<td>18.30</td>
</tr>
<tr>
<td>Ministry of Fuel and Power and Scottish Home Department</td>
<td>Due functioning of electricity and gas undertakings</td>
<td>Class IX, 58</td>
<td>0.60</td>
</tr>
<tr>
<td>Ministry of Fuel and Power</td>
<td>Hire of vehicles and purchase of oil for vehicles</td>
<td>Class IX, 58</td>
<td>15.00</td>
</tr>
<tr>
<td>Ministry of Transport and Civil Aviation</td>
<td>Due course for expenditure on renewal and maintenance of gantries and facilities</td>
<td>Class IX, 51</td>
<td>25.47</td>
</tr>
<tr>
<td>Ministry of Works</td>
<td>Machine and accommodation</td>
<td>Class VIII, 3</td>
<td>0.96</td>
</tr>
<tr>
<td>Board of Trade</td>
<td>Maintenance and turnover on stocks of materials; balance of 1954-55 contracts for purchase of materials</td>
<td>Class VI, 53</td>
<td>4.20</td>
</tr>
<tr>
<td>Post Office</td>
<td>Communications...</td>
<td>Class VII, 10</td>
<td>13.09</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>Various</td>
<td>Class VII, 10</td>
<td>6.19</td>
</tr>
</tbody>
</table>

*In addition, trading results to the value of £10 million are to be transferred to strategic reserve.*
CABINET

DEFENCE EXPENDITURE BY CIVIL DEPARTMENTS IN 1955–56

NOTE BY THE SECRETARY OF THE CABINET

I circulate, for the information of the Cabinet, the attached report, which has been prepared by the Home Defence Committee, on the level of defence expenditure by Civil Departments in 1955–56.

2. It may be convenient for Ministers to have this report before them when they consider the draft White Paper on Defence.

(Signed) NORMAN BROOK.

Cabinet Office, S.W.1, 2nd February, 1955.
DEFENCE EXPENDITURE BY CIVIL DEPARTMENTS IN 1955-56

REPORT BY THE HOME DEFENCE COMMITTEE

In their report to the Cabinet (C. (54) 250) the Defence Policy Committee gave an outline in Annex II of the changes in civil defence policy which would flow from the general revision of defence policy which they were recommending and indicated that it should be possible to reduce defence expenditure by civil Departments in 1955-56 from the £46.7 millions in the forecast estimates to roughly £31 millions (excluding stockpiling and Post Office expenditure, which is financed by loan). This would have compared with the likely out-turn for the current year of about £33 millions.

2. The Treasury have now been able to make a closer study of the financial implications of the new defence policy adopted by the Cabinet and the Chancellor of the Exchequer has indicated that not more than some £25 millions is likely to be available. Agreement has been reached that this sum should be divided between Departments as follows:

<table>
<thead>
<tr>
<th></th>
<th>£ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Departments</td>
<td>12.12</td>
</tr>
<tr>
<td>Civil defence expenditure by other Departments</td>
<td>5.31</td>
</tr>
<tr>
<td>Storage and Accommodation</td>
<td>0.30</td>
</tr>
<tr>
<td>Port Emergency Schemes</td>
<td>1.49</td>
</tr>
<tr>
<td>Emergency Oil Scheme</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>25.22</td>
</tr>
</tbody>
</table>

3. We should make clear that a rate of expenditure of this order will not be sufficient to enable us in the course of the next few years to take adequate measures to protect the civil population against the threat of thermo-nuclear attack as from, say, 1960, even if it were possible to say at this stage what those measures ought to be. It may well be that an unfavourable comparison will be drawn between the £25 millions for defence expenditure by civil Departments and the total expenditure on the Armed Forces and the defence element of the Ministry of Supply. The Government may be asked why, although the menace of the hydrogen bomb is immeasurably greater than any threat previously envisaged, they have nevertheless reduced expenditure on protective measures. This type of criticism can only be met by considering expenditure on civil defence in the context of our defence policy as a whole, which is being presented in the Statement on Defence, 1955.

4. The central theme of our present defence policy is that resources should be devoted primarily to the provision of an adequate deterrent—consisting mainly in the possession of up-to-date thermo-nuclear weapons and the means of delivering them. Money devoted to this end should be presented therefore as the most effective form which defence of the civil population can now take. In addition, it is reasonable to make, as a minimum insurance against the risk that the deterrent may fail, some limited provision for protective measures of the kind normally regarded as civil defence preparations. But until we are in a position fully to assess the effects of thermo-nuclear attack, particularly in the sphere of radioactivity, it seems prudent to restrict expenditure in the coming year to those things which we can be fairly certain will be of value, e.g., radiac instruments and the training of the Civil Defence Corps, and to items on which expenditure has already been committed. Considerable sums have already been spent on civil defence precautions which the hydrogen bomb has rendered of doubtful value and the Government will naturally be concerned to avoid further unproductive spending. We give in the Annex an outline of the form which the expenditure of £25 millions will take.

5. The £25 millions for defence expenditure by civil Departments should also be considered in relation to the sum of about £27 millions which Departments
propose to spend in 1955-56 on the stockpiling of food and oil and on which a separate report is being submitted to Ministers.

6. Account should also be taken of the value to civil defence of the mobile columns to be manned by the Army and Royal Air Force, on which a separate report has already been put before Ministers. The financing of these mobile columns will be handled outside the civil defence budget, though there may be some offset through a reduction in Home Office expenditure on the training of H. reservists. Their provision is, however, an important element in the plans for the protection and succour of the civil population.

7. Post Office expenditure, though financed by loan, must also be considered as part of the outlay on home defence preparations; about £13 millions are earmarked for next year.

8. It will be necessary to give Parliament a more authoritative statement of the Government’s civil defence policy as soon as the effects of “fall-out” have been evaluated and account taken of them in reshaping policy. We hope to be in a position to make comprehensive recommendations to Ministers on evacuation and shelter policy and on civil defence planning as a whole in the course of the next few months.
ANNEX

ANALYSIS OF DEFENCE EXPENDITURE BY CIVIL DEPARTMENTS
IN 1955–56

I.—HOME DEPARTMENTS

This expenditure covers the home civil defence services (e.g., grants to local authorities, production of equipment and materials, training, &c.).

About £3.5 million will be spent on the administration and training of the Civil Defence Corps. The production programme will account for £7.4 million, the main items being:

(a) Respirators (production being limited to four million in 1955–56 pending a review by Ministers) £2.8 million
(b) Radiac instruments £1.3 million
(c) Fire-fighting equipment £2.7 million

Some £1.1 million, representing the administrative costs of the Women’s Voluntary Services and the Home Office stores and regional organisation, is being included in the civil defence budget for the first time.

II.—CIVIL DEFENCE EXPENDITURE BY OTHER DEPARTMENTS

This expenditure covers grants to local authorities, production of equipment and materials, due functioning of public utilities, and includes:

(a) Grants to local authorities by the Ministries of Housing, Health and Food £0.5 million
(b) Production expenditure (mainly on completion of outstanding stockpiling orders and excluding all but a token £0.1 million on the making up of tents for emergency hospital service) £1.05 million
(c) Completion of certain measures connected with the due functioning of water and sewerage, railways, electricity (allowing in the case of electricity for a beginning on a proposed seven-year programme for the acquisition of stocks of transformers and switch gear) £2.2 million

III.—STORAGE AND ACCOMMODATION

£0.30 million

IV.—PORT EMERGENCY SCHEMES

£1.49 million

This sum permits a recently approved port emergency plan to go ahead. The main aim of this plan is the provision of anchorages associated with a number of minor ports for the discharge of imports. Some adjustment of the plan may be necessary to provide for outward movement (e.g., for the supply of our forces overseas) but no expenditure during 1955–56 is involved on this account.

V.—EMERGENCY OIL SCHEME

£6 million

This sum is based on the assumption that the present authorised programme would be completed in 1957. That programme however, which would now provide barely sufficient oil to last three weeks, is totally inadequate and approval has been given for the planning of an enlarged programme in the light of the latest strategic appreciation. This would aim at providing an oil stockpile of 5½ million tons (including lubricants) with the object of ensuring adequate oil supplies for survival in a major war starting not before 1960.

TOTAL EXPENDITURE FOR ITEMS I–V £25.22 million
CABINET

ATOMIC ENERGY: CIVIL PROGRAMME

NOTE BY THE LORD PRESIDENT OF THE COUNCIL

On 21st December the Cabinet considered my memorandum, C. (54) 395, outlining a programme for the development of power from atomic energy for civil purposes. The Cabinet gave approval for work on the initial stages of the programme to be started, and for discussions to take place with the British Electricity Authority, and invited me to draft for their consideration a public statement about this programme (C.C. (54) 90th Conclusions, Minute 3).

2. As was agreed at that meeting, the electricity authorities in Scotland have been advised of the Government's intentions through the Secretary of State for Scotland.

3. I now submit for consideration a draft of a statement which it is intended to publish as a White Paper (Appendix II). I propose to make a brief statement in the House of Lords (to be repeated in the House of Commons by the Minister of Fuel and Power) announcing its publication.

A draft of these statements is at Appendix I.

S.

Privy Council Office, S.W. 1.
2nd February, 1955.
A PROGRAMME OF NUCLEAR POWER

Presented to Parliament by the Lord President of the Council and the Minister of Fuel and Power by Command of Her Majesty February 1955

LONDON
HER MAJESTY'S STATIONERY OFFICE

Cmd.
A PROGRAMME OF NUCLEAR POWER

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A PROGRAMME OF NUCLEAR POWER

1. An important stage has been reached in the development of nuclear power for peaceful purposes. Hitherto the work in this country has consisted of a military programme, a broadly based research and development programme, and the production and use of radioisotopes. The military programme continues to be of great importance. But the peaceful applications of nuclear energy now demand attention. Nuclear energy is the energy of the future. Although we are still only at the edge of knowledge of its peaceful uses, we know enough to assess some of its possibilities.

2. Our future as an industrial country depends both on the ability of our scientists to discover the secrets of nature and on our speed in applying the new techniques that science places within our grasp. The exact lines of future development in nuclear energy are uncertain, but this must not deter us from pressing on with its practical application wherever it appears promising. It is only by coming to grips with the problems of the design and building of nuclear power stations that British industry will acquire the experience necessary for the full exploitation of this new technology.

3. The application that now appears practicable on a commercial scale is the use of nuclear fission as a source of heat to drive electric generating plant. This comes moreover at a time when the country's great and growing demand for energy, and especially electric power, is placing an increasing strain on our supplies of coal and makes the search for supplementary sources of energy a matter of urgency. Technical developments in nuclear energy are taking place so fast that no firm long-term programme can yet be drawn up. But if progress is to be made, some indication must be given of the probable lines of development so that the necessary preparations can be made in good time. A large power station may take five or more years to complete, including finding the site, designing the station and building it. Some of the special materials needed for nuclear power may take several years to get. Moreover, the main burden of building and designing commercial nuclear power stations will fall upon industry who will have to see that the necessary staff are trained. These are some of the many things that must be started soon if we are not to waste precious years in building up this new and unfamiliar industry.

4. Her Majesty's Government have therefore prepared a provisional programme of nuclear power which covers the next ten years in some detail and gives an indication of the probable developments in the following ten years. It will be constantly modified as time goes on and at each stage final decisions will not be taken until the last possible moment so that new technical developments can be used to the fullest advantage.

PART I

THE PROBABLE LINES OF DEVELOPMENT OF NUCLEAR POWER

5. The principle of nuclear fission and the methods by which a nuclear reactor can be used in place of a coal or oil-fired furnace to provide heat for an electric generating plant have been described in various publications.* A short account is given in Annex 1 which also describes

the experimental nuclear power station now being built at Calder Hall in Cumberland and some of the different types of nuclear power station that might be built in the future. The Calder Hall station is the first attempt in the United Kingdom to produce electricity from nuclear energy on a large scale. Future developments, so far as they can now be foreseen, are likely to be directed at two main objectives: using the main nuclear material, uranium, more efficiently; and reducing the capital cost per kilowatt of a nuclear power station, in terms both of the construction of the reactor and of its initial charge.

6. During the next 10 years two types of reactors are likely to be brought into use on a commercial scale. The first type will be similar to those now being constructed at Calder Hall, but improvements in design during the period should enable the later models to show a great advance in efficiency compared with the earlier ones. They will be gas-cooled graphite moderated “thermal” reactors using as fuel natural uranium or slightly “enriched” uranium, i.e. fuel having a slightly higher fissile content than natural uranium. The first improved models could be designed and built so as to come into operation in about six years’ time.

7. These first reactors will burn only a very small proportion of the natural uranium placed in them but they will produce, in addition to heat, the new element plutonium which does not appear in nature. This plutonium which can be extracted chemically from the used fuel is potentially very valuable: it is a pure fissile material whereas natural uranium contains only one part in 140 of fissile material.

8. The second type of reactor that may be built for commercial operation during the next ten years is a liquid-cooled “thermal” reactor. This type requires more complicated techniques which at present would result in higher costs. But with further development liquid-cooled reactors should be able to give a much higher heat rating than the first gas-cooled reactors for the same capital cost. They might therefore eventually prove more economic than the gas-cooled reactors although the comparison will depend on how much the gas-cooled type can be improved. They could take any of several forms (see Annex 1) most of which need “enriched” fuel and could use for this purpose the plutonium produced in the earlier reactors in conjunction with natural uranium. The first commercial liquid-cooled reactors might be built during the latter part of the next ten years and begin operating about 1965.

9. Development after 1965 may take various forms: thorium may be used, at first in conjunction with plutonium, as an alternative fuel; “homogeneous” and “fast breeder” reactors may be developed. It has already been decided to build a full-scale experimental model of a “fast breeder” reactor capable of producing power on a site at Dounreay in Caithness. There is no doubt that the commercial reactor that emerges after these developments as the most suitable, whatever type it may be, will have a lower capital cost per kilowatt and a better utilisation of the nuclear fuel than any of the earlier reactors.

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The heat rating of a reactor is the rate of production of heat from each ton of fuel in the reactor.
PART II

THE PROBABLE COST OF NUCLEAR POWER

10. An estimate can be made of the cost of electricity produced by the two types of reactor likely to be in commercial use in the next ten years although it must be subject to a wide margin of uncertainty. Experience of operating reactors at high temperatures and under the high rates of heat extraction required for power is still limited. To the technical uncertainties about the characteristics and performance of the reactors themselves must be added the rather different uncertainties about the supply and value of the nuclear materials required by and produced by a reactor system. In what follows the results of making assumptions on these counts should be regarded as giving only an approximate and not an exact estimate of cost.

Capital and Overhead Costs

11. A reasonably accurate estimate of the constructional cost of the first commercial stations can be made. A station of the same type, but designed to produce fissile material for military purposes as well as electricity, is already being built at Calder Hall at a cost of £15–£20 million. Even the first commercial reactors of the Calder Hall type can be expected to show a higher heat rating than those now under construction, so that the capital cost for each kilowatt installed will be lower. A new station might have an electrical output of 100–150 megawatts or even 200 megawatts. We have no experience on which to base an estimate of the working life of a reactor in a commercial station but a life of between 10 and 20 years seems to be a reasonable technical assumption. As nuclear stations will have a higher capital cost and a lower running cost than other stations, they will be run as base-load stations at a high load factor (perhaps 80 per cent).* On these assumptions a rough figure for the annual overhead cost for each unit of output can be calculated. The works and operating costs, excluding fuel costs, can be estimated from the experience of operating coal-fired power stations and the military reactors at Windscale.

12. Developments in reactor design such as the introduction of liquid cooling should gradually lead to much higher heat ratings without much increase in capital cost. This would reduce still further the capital cost for each kilowatt installed and thus reduce the annual overheads.

Fuel Costs

13. The fuel cost depends on three things: the cost of the raw material, uranium ore; the processing cost, including the conversion of ore into fabricated fuel elements, the chemical processing of the used fuel elements and the extraction of plutonium from them; and the "level of irradiation", that is, the amount of heat that can be got from each ton of fuel in the reactor before it has to be taken out.

14. Her Majesty's Government consider that enough uranium will be available for the civil programme over the next ten years, after making the best assessment possible of world supplies and of world requirements for all purposes. The cost of the initial charge of fabricated uranium for one of the early types of station similar to Calder Hall may amount to about £5 million.

* The load factor of a station is the ratio of the average load to the peak load carried by the station in each year. The stations having the lowest running costs are operated on the "base load" (i.e., they are used to supply the demand that is present the whole time) and therefore have a high load factor.
a new charge costing the same will be needed every 3–5 years. The cost of processing uranium, both before and after use, is known from the processes now being worked at the Springfields and Windscale factories for the military programme. In the early stages of a power programme the processing costs will be similar, but big reductions can be expected later when new factories are built.

15. It is expected that it will be possible to extract as much as 3,000 megawatt-days of heat from every metric tonne of fuel.* This is the equivalent of the heat from 10,000 tons of coal. There is as yet no practical experience of this level of irradiation at high temperatures and the metallurgical behaviour of the fuel elements is uncertain. But there are many lines of development which should overcome such metallurgical defects as may appear.

The Cost of Electricity and the Credit for the Plutonium By-product

16. Some credit should be taken for the fissile by-product plutonium. It is in many ways equivalent to uranium 235, another form of fissile material. But plutonium can be extracted by chemical means from a power reactor's used fuel for only a fraction of the cost of separating uranium 235 from natural uranium in a diffusion plant. When pure fissile material is available in quantity there will be great scope for the design and development of more advanced and more efficient reactors that need "enriched" material and will not operate on natural uranium. For example, most types of liquid-cooled reactor need "enriched" material; and, looking further ahead, concentrated fissile material in the form of either uranium 235 or plutonium is required for a "fast" reactor or for starting a thorium system. In this manner the early reactors will be producing not only electricity but also the capital equipment (i.e. the initial charge of fissile material) for future power stations. Without the plutonium it would not be possible to build up a system of nuclear power stations of steadily advancing efficiency.

17. In the early stages of an expanding nuclear power programme it is to be expected that pure fissile material will be scarce and that if there were a free market its price would be high. It will be required for enriching the fuel charge in new commercial reactors, and also for many experimental and development purposes including the fuelling of prototypes of advanced design. Eventually the system will reach the stage where more plutonium is produced than the new power stations require; its "market" price will then fall and it might be used as a substitute for natural uranium rather than as concentrated fissile material. This is unlikely to happen for 15 or 20 years.

18. It is not obvious what is the right value to put on the plutonium produced, although the effect on the net cost of electricity could be considerable. A high value in the early stages of the programme means a lower net running cost for the early reactors but adds a heavier capital charge on to the later ones, which they might well be able to afford because of their higher efficiency. Limits can be set to the value of the plutonium by considering the uses to which it might be put. At worst it could be fed back into a reactor as fuel in place of natural uranium; and since natural uranium contains only one part in 140 of fissile material, plutonium should be worth at least 140 times as much, weight for weight. At best plutonium is not likely to be worth more than the cost of uranium 235 separated from natural uranium in a diffusion plant. There is a wide range between these limits but both values can be measured in terms of thousands of pounds sterling for a kilogram of plutonium. In the early period it is thought right

* See paragraph 8 of Annex 1.
to take credit for the plutonium at a rate of many thousands of pounds a kilogram; this credit should eventually fall, but would still have a significant effect on the cost of generating electricity.

19. On the assumptions set out above, and taking what appears to be a reasonable credit value (being a high value but well below the cost of separated uranium 235) for the plutonium by-product, the cost of electricity from the first commercial nuclear stations comes to about 0.6d. a unit. This is about the same as the probable future cost of electricity generated by new coal-fired power stations (see Annex 2 para. 10). If no credit were taken for the plutonium the cost of nuclear power would be substantially more than 0.6d. a unit. Later stations should show a great improvement in efficiency, but the value of plutonium would probably fall considerably during their lifetime and they would eventually have to take a much lower credit for it. Even so their higher efficiency should enable them to remain competitive with other power stations.

20. These estimates assume that all the plutonium is used for civil purposes, as would be most desirable. No allowance has been made for any military credits.

PART III
A PROVISIONAL PROGRAMME

21. Her Majesty's Government consider that the development of nuclear power has reached a stage where it is vital that we should apply it commercially with all speed if we are to keep our position as a leading industrial nation and reap the benefits that it offers. The programme outlined below is provisional and must be considered only as the best indication that can now be given of the probable line of development. Types of stations, numbers and dates are all subject to change.

22. Although the decision to go ahead with a nuclear power programme does not depend on precise comparisons of cost, the outline given above has shown that the cost of nuclear power should not be greatly different from the cost of power from coal-fired power stations. This country has a rapidly growing demand for energy, particularly in the form of electric power, and increasing difficulty in producing the necessary quantities of coal. These facts by themselves would justify a great effort to build up a nuclear power system.

23. The stations will be designed and built by private industry for the Electricity Authorities,* who will own and operate them. The Atomic Energy Authority, as the only body with the necessary experience, will be responsible for giving technical advice on the nuclear plant. British industry and consulting engineers have as yet no comprehensive experience of nuclear technology. They will be faced with a major task in training staff, in creating the necessary organisation and in designing the stations. This work has already begun. Owing to its complexity and diversity teams drawn from several firms may have to be formed. The preparatory work will call for great efforts from all concerned, and even so it will not be practicable to start building any commercial stations before 1957.

* These are at present the British Electricity Authority, the North of Scotland Hydro-Electric Board and the Northern Ireland Electricity Board. On 1st April 1955 the South of Scotland Electricity Board will come into existence and the Central Electricity Authority will replace the British Electricity Authority.
24. In this way it is intended that the Electricity Authorities and private industry should obtain as quickly as possible the practical experience in designing and building nuclear power stations that will be the necessary foundation for a big expansion in the later stages of the programme. The Atomic Energy Authority, while giving as much assistance and advice to industry as possible, will remain primarily a research and development organisation and will continue to design, build and operate pioneering types of power reactor. They will also be responsible for buying uranium, fabricating the fuel elements, processing the used fuel and extracting the plutonium from it. There will therefore have to be a continuous process of co-operation and of financial adjustment between the Electricity and Atomic Energy Authorities. The exact arrangements to be made are at present being discussed with them.

**Power Stations**

25. The provisional programme for the construction of nuclear power stations* is as follows:

(i) The construction of two gas-cooled graphite-moderated stations (each with two reactors) would be started about mid-1957. These stations should come into operation in 1960-1961.

(ii) The construction of two further stations would be started about 18 months later, i.e. in 1958-1959. These would also have two reactors each and would be similar in type to the earlier two stations but should show an improved performance, particularly in heat rating. Each of the eight reactors in these early stations would have a net output of electricity of 50 to 100 megawatts so that the total output from the four stations, which should all be in operation by 1963, would be somewhere between 400 and 800 megawatts.

(iii) These first four stations might be followed by four more stations starting perhaps in 1960, and then a further four starting 18 months later, say, 1961-1962. These might come into operation in 1963-1964 and in 1965. It is difficult to specify what type of station these would be, but it is probable that each station would consist of only one reactor which would be much more highly rated than the reactors in the first four stations. The stations begun in 1960 might be developments of the gas-cooled graphite-moderated type. The last four stations might be of the liquid-cooled type which might by then have been developed sufficiently to be economically satisfactory. The total installed capacity of the eight stations in this group might amount to, say, 1,200 megawatts.

26. The ten-year programme would produce an installed capacity of about 1,500 to 2,000 megawatts by the end of the period, and the capacity would be growing rapidly. The rate of growth at the end of the ten years would be something like a quarter of this country's annual requirement for new generating capacity, which by then will probably be over 2,000 megawatts a year. On the assumption that nuclear stations would be used as base-load stations they would by 1965 be producing electricity at a rate equivalent to that produced by about 5 to 6 million tons of coal a year. Assuming that the programme continued to expand rapidly, this contribution towards the country's energy needs should also rise rapidly thereafter.

*The term "station" is used here to denote the smallest unit that is likely to be built. In practice more than one such station may be built on the same site.
27. The plutonium by-product from the early reactors should begin to become available in 1964 at the rate of several hundred kilograms a year. This plutonium would be available for enriching the fuel charges in later, probably liquid-cooled, reactors. These reactors would in turn produce plutonium and being more highly rated would produce it more quickly so that it would be available for a rapidly expanding programme of reactors requiring enriched fuel in the late 1960s.

Ancillary Plant

28. The present ancillary plant, which has been built and is used primarily for military purposes, will be adequate at first for a civil programme of this magnitude but some expansion will be necessary later. A new fuel processing and fabricating plant will be needed in due course to supplement the existing factory at Springfields in satisfying the rapidly increasing demand for nuclear fuel; and a new chemical processing plant will eventually be needed to deal with the large quantities of used fuel taken out of the nuclear power stations. Such slight enrichment as may be necessary for the fuel elements in the early stations can be provided from the existing capacity of the diffusion plant at Capenhurst.

Cost

29. The capital expenditure on the construction and installation of the stations in the programme will be considerable. The cost of the first two stations together (comprising four reactors) would probably be between £30 million and £35 million. The next two stations which would have a much higher output would cost perhaps slightly more, while the cost of the last eight stations would be in the region of £125 million in total. The cost of the initial charges of uranium, including fabrication, might amount to a further £40 million. The new ancillary plant that would be required within the 10-year period might cost £30 million. The concurrent capital expenditure on prototype development might be £30 million to £40 million. The cost of the ten-year programme might therefore come to £300 million. The rate of expenditure on the commercial applications of nuclear power would rise steadily during the period and the total over the ten years would amount to more than this since it would include expenditure on stations that would not be completed until after 1965 and do not appear in the present programme.

30. This investment will not be a wholly additional demand on the economy. The nuclear power stations will be built instead of other types of station. The investment by the Electricity Authorities in new coal or oil-fired generating capacity over the next 10 years would, in the absence of nuclear power, probably be of the order of £1,200 million. With a nuclear power programme there will be a significant reduction in this figure which can be set off against the investment in nuclear power. The National Coal Board should also be able to reduce its investment programme in some ten years' time below what would have been necessary in the absence of nuclear power.

31. No accurate assessment can be made so far ahead of the amount of additional investment that the economy will be able to afford. All that can be said is that, given a normal rate of growth of gross national product and given that a reasonable proportion of the increase in resources was made available for an increase in investment, there would not appear to be any great difficulty in accommodating a nuclear power programme on the scale here proposed. It is unlikely that the rate of expansion of investment in the fuel and power industries over the next 10 years, even including this programme, will exceed the rate of the expansion in real terms that has taken place since 1948.
Long-Term Prospect

32. From about 1965 it may be economically desirable on grounds of relative cost to build nuclear power stations instead of coal-fired stations, even without taking account of any long-term difficulties in the supply of coal. Cheap power is a great asset to any industrial country and the more quickly we can convert power generation to the cheaper system the sooner we can hope for a reduction in the real costs of production.

33. On the provisional programme the new nuclear power stations would by 1965 be meeting a quarter of the total requirement of new generating capacity. How quickly it would be possible to expand the programme to match the whole of this requirement will depend upon the progress made in the first ten years. The programme for this first period may be subject to frequent and major change according to the speed of technical development and the success of the early stations. Any attempt to forecast the developments after 1965 must be even more uncertain.

34. The possibilities of expansion will depend in the first place on whether the necessary techniques have been mastered by industry at large. The Atomic Energy Authority will continue to make new information available and to provide training; with this help industry should acquire wide experience in carrying out a 10 year programme of the type that has been outlined and this would make possible a much greater expansion after 1965. If all went well it might be practicable to expand the rate of construction of nuclear power stations to match our total requirement of new generating capacity by the early 1970s, which by this time might amount to about 3,000 megawatts a year. On this assumption the total nuclear power station capacity installed by the early 1970s would be of the order of 12,000 megawatts, the whole of which could be used for base-load operation. The nuclear power stations would then be producing electricity at a rate equivalent to that produced by about 40 million tons of coal a year.

35. Another possible limitation on the rate of expansion in the later years is the supply of nuclear fuel, particularly the more highly enriched material that will be needed for some of the advanced types of reactor. By the late 1960s the early reactors should be producing plutonium in quantity and this would be available for the later reactors. The provisional programme and the further expansion thereafter will also call for increased supplies of uranium; and no doubt other countries will be increasing their commercial demands at the same time. Recent evidence suggests that uranium is more plentiful than was once thought; considerable workable deposits of medium-grade ore are known while the widespread existence of low-grade ores implies that adequate quantities can be produced from them if necessary. Moreover the expansion in the requirement of uranium should be mitigated by the greater economy in its use that will by then have been achieved and by the possible development of the substitute fuel thorium, which should be available in considerable quantities if it is required. For these reasons Her Majesty’s Government are confident that the necessary supplies of raw material will be available to meet the increases in demand.

Siting and Safety

36. The history of the development of nuclear energy has made everyone aware of its destructive possibilities and it would be natural to ask whether there were any special dangers associated with nuclear power installations. The first important thing to recognise is that it is impossible for an “atomic
explosion" to take place in a power reactor. If nuclear power facilities are properly designed any accidents that may occur will be no more dangerous than accidents in many other industries.

37. The main hazards in a nuclear power station are caused by the concentration of highly radioactive materials. But these are known dangers which can be guarded against, both by precautions in the design of the reactor itself and if necessary by enclosing some or all of it in a gas-tight container. The reactors that will be built for the commercial production of electricity will present no more danger to people living nearby than many existing industrial works that are sited within built-up areas. Nevertheless the first stations, even though they will be of inherently safe design, will not be built in heavily built-up areas.

38. The disposal of radioactive waste products should not present a major difficulty. The problem is primarily one for the chemical processing plants, which will be few in number, and not for the power stations. The volume of waste will be small and great efforts are being made to determine the most economical methods of storing or disposing of it. There are many valuable uses for it which may be able to absorb a great part of the output. Any material that is discharged will be tested to ensure that it is of extremely low radioactivity, so that it will be harmless and comparable in effect to the natural background radioactivity which is always present.

International Aspects

39. Her Majesty's Government have always been in favour of the greatest possible international co-operation in the peaceful uses of nuclear energy, so that full use can be made of this great new scientific development for the benefit of the world. The Government have recently acted as joint sponsor for the proposal before the United Nations, which has now been approved, to set up an International Atomic Energy Agency and have agreed to make available to the Agency 20 kilograms of fissile material. They intend to play a full part in the international scientific conference on the peaceful uses of nuclear energy that is to be held later this year.

40. Physicists and engineers from a number of countries have taken the opportunity of learning nuclear technology by attending schools and courses in this country such as the Reactor and Isotopes Schools at Harwell. So far as resources permit we intend to provide further facilities for nationals of other countries to attend these schools. Other countries will also be helped to build experimental and development reactors which are an essential preliminary to the building of commercial reactors. We are already helping in this way a number of Commonwealth and European countries.

41. We must look forward also to the time when a valuable export trade can be built up. The experience gained by British industry in designing and building nuclear power stations during the next ten years should lay the foundations for a rapid expansion both at home and overseas. At the moment nuclear power generation is still in the development phase; the exact economics of nuclear power stations are uncertain; and the stations when built will still be pioneering projects and will need a lot of skilled attention. But as time goes on the design of the stations will be improved, the cost of electricity from the stations will be known more exactly and, above all, their construction and operation will have become standard engineering technique. We shall then be in a position to fulfil our traditional role as an exporter of skill, to the benefit both of ourselves and of the rest of the world.
PART IV

THE PLACE OF THE PROGRAMME IN THE GOVERNMENT'S FUEL POLICY

42. In a debate in the House of Commons on 9th July, 1954, the Minister of Fuel and Power, in describing the fuel and power policy of Her Majesty's Government, said that one of its main objectives was to supplement supplies of coal with other kinds of energy— atomic energy as soon as possible and oil forthwith. The previous three Parts of this Paper have given an account of the possible development of nuclear power in this country so far as it can be foreseen now. They express the Government's hopes and views about the scale and timing of the commercial use of nuclear power. It can now be shown how this possible development would fit in with the energy requirements of this country and with the supply of other fuels.

Electricity

43. The use of electricity has grown rapidly in all countries ever since it was introduced commercially in the 1880s. The average increase has been about 7 per cent, a year which means that consumption has doubled every 10 years. This cannot be expected to go on for ever but so far there is no sign that the demand for electricity is even beginning to approach saturation point either in this country or anywhere else, even in countries with a much higher consumption a head than ours.

44. An estimate of the demand for electricity in Great Britain during the next 20 years is given in detail in Annex 2. The demand is expected to continue to grow rapidly although at a slower pace than before. It is likely to be some 3 1/2 times the present level in 20 years' time. To meet this growth in demand, with the opportunity it will offer for higher productivity and efficiency throughout the economy, it is estimated that the installed generating capacity, which averaged 20,000 megawatts in 1954, will have to be increased to 35-40,000 megawatts by 1965 and to perhaps 55-60,000 megawatts by 1975. If the provisional programme suggested above were completed—in practice it is certain to be modified one way or the other—it would provide nearly 2,000 megawatts of nuclear power by 1965 and somewhere between 10 and 15,000 megawatts by 1975. But the nuclear power stations would be operated on base load and would supply a higher proportion of the total power than the ratio of these figures would suggest.

Coal Supplies

45. Without nuclear power the rate of consumption of coal (or its equivalent as oil) by the power stations alone would increase on the assumption in the last paragraph by perhaps 2 1/2 times over the next 20 years, reaching about 65 million tons a year by 1965 and 100 million tons a year in the 1970s, and would at that time be rising by 4 or 5 million tons a year. On the basis of the provisional programme of nuclear power, the coal required by power stations would level off in the region of 60 to 70 million tons a year during the course of the 1960s. This levelling off in the demand for coal for power stations would come none too soon to help with the difficulties of finding manpower for the mines and of producing at reasonable cost enough coal for the other users of solid fuel whose demand would have been steadily rising meanwhile.

Since the war the production of coal from deep mines has increased from 175 million tons in 1945 to 214 million tons in 1954. But the demands of our expanding home industries have been rising even faster. We have had to supplement output from the deep mines by opencast coalmining and by importing coal, and even so supplies for the householder are still restricted and there is not enough for exports. The National Coal Board have in hand a large programme of capital investment which has gone ahead rapidly in the last year or two; but a great part of this will be needed to maintain the output of the mines at the present level. Greater efficiency in the use of coal and substitution of oil for coal in certain processes including electricity generation will give some limited relief but the increasing demand for fuel cannot be met without exploiting to the full any new and economic technique available.

The provision of enough men for the mines is one of our most intractable problems and is likely to remain so. In order to meet the present demand for coal recourse has been had to voluntary Saturday working as well as to opencast production and to imports: but the demand continues to increase. Any relief that can come from other sources of energy such as nuclear power will do no more than ease the problem of finding and maintaining an adequate labour force. There can be no question of its creating redundancy. The mining industry will in any case remain one of the major employing industries of the country, but it may hope to be relieved by the advent of nuclear power of the excessive strains which are now being put upon it.

PART V

CONCLUSION

Our civilization is based on power. Improved living standards both in advanced industrial countries like our own and in the vast underdeveloped countries overseas can only come about through the increased use of power. The rate of increase required is so great that it will tax the existing resources of energy to the utmost. Whatever the immediate uncertainties, nuclear energy will in time be capable of producing power economically. Moreover it provides a source of energy potentially much greater than any that exist now. The coming of nuclear power therefore marks the beginning of a new era.

As a leading industrial nation our duty, both to ourselves and to other countries, is to establish this new industry of nuclear energy on a firm foundation and to develop it with all speed. It is a major industrial development that will bring with it revolutionary changes in technique. We shall only learn the new techniques by pressing forward with the practical applications wherever we can and in spite of the many uncertainties surrounding each enterprise.

The programme that is described here is provisional and will be altered in many ways in the course of time. But it is hoped that it gives a clear enough picture of the probable scale, scope and timing of developments to put nuclear power in its proper perspective and to show how it will fit in as one of the sources of energy that will be available to meet the rapidly growing needs of our expanding economy.
51. The large-scale production of nuclear power cannot be brought about quickly. The first commercial, as opposed to experimental, stations will not be in operation for at least five years. But if proper preparations are made now it will be possible for nuclear power to be produced commercially in significant quantities within ten years. The experience gained from building and operating stations during these ten years should make possible a much more rapid expansion thereafter at home and abroad.

52. New technical developments that cannot at present be foreseen may perhaps lead to a more rapid improvement in the performance of stations than has been assumed. If so we should be in a good position to take advantage of such developments. On the other hand the provisional programme may turn out to be too optimistic: the stations may take longer to design and to build; they may cost more; the amount of development work needed may have been underestimated. If any of these things happened nuclear power would come later or be more expensive than the programme suggests. The Government consider that these risks must be accepted.

53. This formidable task must be tackled with vigour, imagination and courage. We must not be put off by setbacks or uncertainties. The stakes are high but the final reward will be immeasurable. We must keep ourselves in the forefront of the development of nuclear power so that we can play our proper part in harnessing this new form of energy for the benefit of mankind.
The Nature of Nuclear Reactions

1. Mankind relies at present on two main sources of energy: —
   (a) Chemical reactions (where energy is released mainly in the form of heat derived from the burning in air of such organic substances as wood, coal, and oil),
   (b) naturally occurring movements of large masses of matter (winds, and water falling under gravity).

The source of energy with which we are now concerned is fundamentally different from these forms of energy, although they are all ultimately derived from solar energy, which is itself a product of nuclear reactions taking place in the sun.

2. The atoms of which matter is composed, of which there are about 100 different kinds, are all constructed on the same pattern: they consist of a dense central nucleus which carries a positive charge and is surrounded by a field of negatively charged electrons. The nucleus itself is made up of positively charged protons and uncharged neutrons. The number of protons, which equals the number of electrons, determines the chemical properties of the atom; while the total number of the particles in the nucleus (protons and neutrons) determines its mass. A change in the number of neutrons affects the mass of the atom but leaves its charge (and therefore its chemical nature) unaltered. Chemically identical atoms, that is, atoms having the same charge but different masses, are called isotopes. Uranium 235 and uranium 238 are different isotopes of the same chemical element uranium, the number after the name of the element indicating the mass of the atom, i.e., the total number of protons and neutrons in the nucleus. Isotopes may be stable or they may be radioactive, i.e., tending to change spontaneously into other atoms or isotopes while at the same time emitting particles or radiation. A change in the number of protons, on the other hand, affects the charge of the nucleus and therefore the chemical nature of the atom. The new chemical element produced by such a change may also be stable or radioactive. The radioactivity of different elements plays an important part in nuclear energy.

3. The commonest type of interaction between atoms affects only the electrons; the nucleus remains untouched. Reactions of this kind, of which the burning of coal is one example, are called chemical reactions and the energy they release or absorb is relatively moderate. The energy and heat processes involved in a modification of the nucleus of an atom are about a million times greater. The purpose of nuclear fission or hydrogen fusion is to achieve the release of energy on this scale. A controlled hydrogen fusion reaction is not at present in sight, but the control of nuclear fission is well established.

4. Nuclear fission takes place when a free neutron, the uncharged constituent of the nucleus, is made to strike the nucleus of a fissile element, e.g., uranium 235. The three main results are as follows: —
   (a) The nucleus splits into two “halves” which fly apart releasing energy which appears as heat.
(b) Several new neutrons are released by the affected nucleus. These can serve a variety of purposes:

(i) Some of them may collide with other fissile nuclei, repeat the process of fission, and so establish a chain reaction, which can be controlled to provide a continuing release of energy.

(ii) Others may be captured by the nuclei of neighbouring non-fissile atoms, such as uranium 238. This then becomes uranium 239 which is radioactive and changes rapidly to plutonium 239. Plutonium 239, by contrast with uranium 238, is fissile, that is, it will itself undergo fission when struck by a neutron.

(iii) Finally, some neutrons may be a total loss, in the sense that they may be absorbed or lost in ways which make no contribution either to the chain reaction or to the production of fresh fissile material.

c) The two "halves" into which the original nucleus splits are called fission products. In general they are radioactive and because they are harmful to life and may be destructive of materials it is necessary to keep control of them for a long time; but fortunately their bulk can be made quite small.

5. The heat from the fission of the nuclei can be used to produce steam to drive an electric generating plant. The reactor, i.e. the plant in which fission takes place, is thus the equivalent of the coal or oil-burning furnace of existing power stations.

A Typical Nuclear Reactor

6. The practical application of these basic principles can be illustrated by the reactors two of which form part of the experimental power station now being constructed at Calder Hall. This kind of reactor, which is illustrated in Chart I, consists of a mass or core of graphite which is called the moderator. This core is built up from many thousands of separate and accurately machined graphite bricks; it contains numerous vertical channels; and it is enclosed in a pressure shell of steel surrounded by a shield of concrete. The fuel is natural uranium which consists to a small extent (one part in 140) of fissile uranium 235 and to a much greater extent of non-fissile uranium 238. It is fabricated into rods which are sealed in metal cans and placed in the vertical channels within the graphite core; and nuclear fission takes place in these rods, the surplus neutrons emitted travelling about in the graphite and uranium until they produce further fissions or are absorbed to form plutonium or are lost. The heat that is liberated is removed by the circulation of carbon dioxide gas under pressure through the core. The graphite "moderates" or reduces, the average speed of the neutrons produced by the fission reaction to the low value known as the thermal level. A reactor with a moderator is therefore called a "thermal" reactor. If there were no moderator a large proportion of the neutrons would be absorbed by the relatively abundant uranium 238, which captures fast neutrons more readily than does the uranium 235, and the chain reaction would come to an end. The fission process is controlled at a fixed level of activity by moving rods of neutron-absorbing material in or out.

7. As the nuclear reaction proceeds some of the fissile uranium 235 is gradually used up; a small fraction of the uranium 238 is converted by neutron capture into its fissile offspring plutonium 239; structural changes take place in the fuel rods owing to the neutron bombardment to which they
are subjected, and fission products accumulate. Eventually the fuel has to be removed and fresh fuel supplied. The irradiated fuel from the reactor has to be chemically processed in order to separate out both the valuable plutonium $^{239}$ and the depleted uranium, which now has a smaller proportion of uranium $^{235}$ than is present in natural uranium. Chart II illustrates diagrammatically the processes associated with the operation of a Calder Hall type reactor.
8. The rate at which the fissile fuel is allowed to burn is expressed in terms of the output of heat, i.e., in megawatts per metric tonne of fuel. The fraction of fuel burnt depends on how fast it burns and how long the fuel element remains in the reactor. If one tonne of fuel burning at a rate of 3 megawatts remains in a reactor for 1,000 days, the level of irradiation achieved is 3,000 megawatt days per tonne (MWD/T).
Nuclear Fuel Systems

9. The main characteristic of nuclear energy that makes it attractive as a source of power is the enormous amount of heat available from a given quantity of fissile material. One pound of pure fissile material could, if completely "burnt", produce more heat than a thousand tons of coal. But the only naturally occurring fissile element is uranium 235, which occurs much diluted by the non-fissile uranium 238. If we were able to "burn" only the uranium 235 we should be using the natural uranium inefficiently and much of the advantage of nuclear energy would be lost.

10. Fortunately a nuclear reactor can be used not only to produce heat but to produce further fissile material by converting what are known as "fertile" materials, such as uranium 238 and thorium 232, into fissile materials. Thus a reactor of the Calder Hall type uses natural uranium containing both fissile uranium 235 and fertile uranium 238. The fissile material is "burnt" to produce heat while a small part of the fertile material is changed into new fissile material. The amount of new fissile material produced varies according to the fuel system and the type of reactor used. In some circumstances it is possible for more fissile material to be produced than is consumed, in which case the "gain factor" is said to be positive. Reactors in which this occurs are sometimes called "breeder" reactors. A fuel system with a positive gain factor has an obvious attraction for a country such as the United Kingdom with no large indigenous sources of uranium or thorium.

11. The quantity of fissile plutonium 239 produced in reactors based on natural uranium is less than the quantity of uranium 235 consumed so that the gain factor is negative. The plutonium can be extracted and used either in the same type of reactor instead of natural uranium or in different types of reactor. If the plutonium is used in conjunction with uranium 238, further plutonium 239 will be produced as fissile offspring. The gain factor will still be negative (in a thermal reactor) but using the plutonium from the early reactors implies a much more efficient use of natural uranium in the system as a whole than would be possible with natural uranium alone.

12. When enough plutonium has been obtained from a natural uranium system there are two other ways in which it could be used. In the first place it could be used with the fertile element thorium 232 in a thermal system, producing uranium 233 as a fissile offspring. The uranium 233 could then be extracted and used again in place of the original charge of plutonium. The gain factor would here be approximately zero, that is about as much uranium 233 would be produced from the thorium 232 as was used up, so that the use of raw material would be highly efficient.

13. Alternatively the plutonium could be used with uranium 238 in a "fast" reactor system (i.e. a system in which there is no moderator). In this case the gain factor could be made decisively positive so that more plutonium would be produced than was consumed. This would be a big advance in the economic use of nuclear materials.

The Development of Reactors

14. There are four types of atom that can be used as moderator in a thermal reactor: carbon, light hydrogen, heavy hydrogen, and beryllium. Carbon, in the form of graphite, is likely to be the most practical moderator in the immediate future. Light hydrogen in light water (ordinary water) is a possible alternative for reactors producing power on a large scale. These two have obvious advantages over the others from the supply point
of view. A reactor also needs a coolant; and here too a range of possibilities is open comprising at present a gas such as carbon dioxide or helium, heavy water, light water and molten sodium metal. Carbon dioxide and light water are the most probable choices for this country in the next few years.

15. The only reactor for commercial power production that is within our present technical reach in terms of design and construction in the near future is the type now being built at Calder Hall, using graphite as the moderator and a gas, probably carbon dioxide, as the coolant. The first reactors of this type designed specifically for the commercial generation of electricity could be built beginning about 1957, and begin operating in about 1961. The heat rating would be relatively low so that the capital cost for each unit of electricity sent out would be high.

16. The next step in the design of thermal reactors would be to increase the heat rating. Higher ratings should be obtainable from advances in the design of the gas-cooled reactors. Alternatively a liquid could be substituted for a gas as the coolant but this gives rise to more complex technological problems and, unless heavy water is used, requires a higher concentration of fissile material in the fuel than is present in natural uranium. This higher concentration could conveniently be provided by the plutonium produced in the early reactors. These enriched reactors could themselves produce plutonium 239 which could then be used for enrichment in further liquid-cooled reactors, or for starting a thorium system or a fast breeder reactor, or could be fed back into the same reactors instead of natural uranium.

17. A large-scale prototype of a liquid-cooled thermal reactor could probably be constructed and fully tested by about 1963. This might enable commercial reactors of the same type to be completed by about 1965, by which time plutonium would be beginning to come from the early Calder Hall type reactors. One type that could probably be produced on a commercial basis by that date is a light water reactor, using light water under pressure both as coolant and moderator. Other possibilities are liquid-sodium-cooled graphite-moderated reactors and heavy-water reactors.

18. The design of a thermal reactor might be still further simplified, with a saving in capital cost, if its fissile material were supplied in the form, not of solid metal rods, but of some kind of solution or suspension which could also serve as coolant and moderator. A homogeneous reactor, as this type is called, should also have lower operating costs since there would no longer be any need to fabricate solid fuel elements and encase them in protective material to prevent chemical and corrosive attack by the coolant. It might have a small positive gain factor. It is unlikely that a prototype of a commercial station could be constructed until at least the mid-1960s.

19. In order to obtain breeding of plutonium with a large positive gain factor, a fast reactor will be required, i.e. a reactor without a moderator in which the neutrons are permitted to cause fission of the fuel while they still have a considerable fraction of the energy with which they are born. The small core of a fast reactor presents many difficult technical problems, associated both with heat transfer and with the effect of high temperature on the fuel elements. The solution of these problems will take time. The design of an experimental model of a fast reactor capable of producing power is already in hand. This will be built at Dounreay and will produce data and experience for further developments. A prototype of a commercial station is not, however, likely to be tested until 1965 at the earliest; and production plants could not be expected to be in operation until the 1970s.
ANNEX 2

THE PROBABLE DEMAND FOR ELECTRICITY 1955-1975

1. Various methods can be used for estimating the future demand for electricity. One method is to take the past trend in electricity consumption and fit a curve to it which is then extrapolated over the next 20 years. This method subsumes all the main factors which influence the growth of demand. In the absence of any major and sudden change in the structure of the economy, the projection of the curve should provide a reasonable estimate of the size of the demand in 20 years' time. The curve and an extrapolation of it are shown in Chart III.

2. A second method is to make a more detailed analysis of the individual sectors of demand and of the factors which influence their growth. For instance the expansion of industrial demand can be related partly to the expected growth of industrial production and partly to the known trend towards the use of electricity in substitution for other fuels in industry. The forecast of domestic consumption is based on the known trend of the rapid expansion in the use of electricity in the home and on the farm, and on the expected growth in the number of consumers. Similar estimates can be made for the increase in commercial demand and in the demand for traction purposes.

3. These two methods produce much the same result, which is summarised in the following table:

<table>
<thead>
<tr>
<th>Electric Consumption in Great Britain</th>
<th>Million units (Thousand million kilowatt hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1925</td>
</tr>
<tr>
<td>Industrial</td>
<td>3-7</td>
</tr>
<tr>
<td>Domestic and agricultural</td>
<td>0-6</td>
</tr>
<tr>
<td>Commercial</td>
<td>0-9</td>
</tr>
<tr>
<td>Traction</td>
<td>0-5</td>
</tr>
<tr>
<td>Total Sales</td>
<td>5-7</td>
</tr>
</tbody>
</table>

Total units sent out (including transmission losses, etc.) 6-4 51-9 62-1 130 223

4. The British Electricity Authority have made detailed estimates up to 1960 which are in line with this longer-term and much more speculative forecast. The assumed rate of increase is also not inconsistent with that envisaged for the United States and for the rest of the free world in the report to the President of the United States by the Paley Commission.* (The Paley Commission forecast a growth of 3½ times in the United States between 1950 and 1975, compared with this figure of about 4½ times for the United Kingdom which starts from a much lower consumption a head). The known plans and forecasts of other major industrial countries also assume comparable, or sometimes higher, rates of growth.

5. This forecast is unlikely to be a serious overestimate, and there are good reasons for supposing that it might be conservative. The implied annual rise in industrial production is modest compared with the annual increases that have proved possible since the war; no allowance is made for any significant narrowing of the gap between United States productivity—and electricity consumption—and that of the United Kingdom; and it is possible that full employment will lead to a more rapid rise in consumption than in the period before the war.

Chart III.—The Demand for Electricity
6. Nevertheless the implication of even these conservative estimates is that in about 20 years' time electricity consumption should be running at about 3 1/2 times the present level. The rate of growth, which in recent years has averaged 7 per cent. a year, would on these estimates fall to about 6 per cent. a year in the early 1960s and to about 5 per cent. a year in the early 1970s.

Generating Capacity Required

7. The growth in the industry's capacity over the last 30 years, and the efficiency with which its plant has been used, is illustrated by the following table:

<table>
<thead>
<tr>
<th>Capacity of Public Electricity Supply System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity installed at end of year (thousand megawatts)</td>
</tr>
<tr>
<td>Year</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>1925</td>
</tr>
<tr>
<td>1935</td>
</tr>
<tr>
<td>1945</td>
</tr>
<tr>
<td>1950</td>
</tr>
<tr>
<td>1954</td>
</tr>
</tbody>
</table>

In 1954, the industry had an average of 20,000 megawatts of installed capacity, and its maximum available capacity during that year (after allowing for breakdowns, overhauls, &c.) was 80 per cent. of this figure. A further improvement in plant utilisation may be expected through a reduction in the time required for repairs and a closer integration of the system, so that by 1975 it might be over 85 per cent. The average load factor in 1954 was 49 per cent.; and some improvement may be possible, perhaps raising it to 52 per cent. by 1975.

8. On these assumptions the total generating capacity required in 1975 would be of the order of 57,000 megawatts installed. Allowing for some 2,000-4,000 megawatts of hydroelectric and pumped-storage plant and for 10,000 megawatts of existing plant still in operation, this implies the installation in the next 20 years of new plant equivalent to about 45,000 megawatts installed, or 40,000 megawatts sent out—a programme which, on the basis of coal-fired power stations alone, would cost about £2,500 million. On the present B.E.A. programme the capacity installed each year should already have reached about 2,000 megawatts sent out by 1960; on the forecasts used here it might well have to exceed 3,000 megawatts sent out during the 1970s.

Coal Required for Power Stations

9. The thermal efficiency of coal-fired power stations has improved rapidly in the last few decades, as the following table shows:

<table>
<thead>
<tr>
<th>Efficiency of Steam Stations of the Public Electricity Supply System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
</tr>
<tr>
<td>-------------------------------</td>
</tr>
<tr>
<td>1925</td>
</tr>
<tr>
<td>1935</td>
</tr>
<tr>
<td>1945</td>
</tr>
<tr>
<td>1950</td>
</tr>
<tr>
<td>1954</td>
</tr>
</tbody>
</table>

The figure for 1954 corresponds to an average thermal efficiency of about 23.6 per cent. The best modern stations already have a thermal efficiency of 30 per cent., and it is possible that the average efficiency in 1975 might
be as high as 30–32 per cent. On the basis of the figures given above and if the calorific value of the coal used by the industry continues to be no less than it is now, the total fuel equivalent required by the power stations would be about 65 million tons in 1965, and might rise by 1975 to a figure in the region of 100 million tons. A proportion of this coal is expected to be replaced by oil; but in round terms it may be assumed that 20 years hence, in the absence of nuclear power, the power stations would be consuming about 100 million tons of coal, i.e., about 2½ times as much as at present, and twice the 50 million tons now estimated for 1960. By 1975 the rate of consumption might be rising by about 4–5 million tons a year.

The Cost of Generating Electricity

10. The cost of generating electricity in a modern coal-fired power station, operating at a high load factor and having a thermal efficiency of about 30 per cent., is about 0.6d. a unit, made up as follows:

<table>
<thead>
<tr>
<th>Pence per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel cost (including handling)</td>
</tr>
<tr>
<td>Other costs including interest and depreciation</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

How this will vary in the next ten or twenty years is uncertain but on balance it seems unlikely that the cost of electricity will show any great change compared to other prices. It is possible that the pressure on coal supplies will tend to force up the price of coal used by power stations. On the other hand, new stations will be more efficient so that less coal will be required for each unit, and there will be other developments that should also reduce costs. Examples are: bigger generating units, simpler buildings, higher temperatures and pressures in the boilers and higher load factors. It seems reasonable to assume for practical purposes that the cost of generating electricity from new coal-fired stations used as base-load stations will continue to be in the region of 0.6d. a unit.

* The average cost of supplying the consumer is about 1.3d. a unit which includes the cost of transmission and distribution and also the higher cost of operating the less efficient stations at peak periods.
APPENDIX I

DRAFT STATEMENT TO PARLIAMENT ANNOUNCING PUBLICATION OF THE WHITE PAPER

I feel that the House will wish to have the latest news regarding the peaceful use of Atomic Energy in this country.

As your Lordships are aware, much progress has been made in developing these uses. Already research, medicine and industry have made great and growing use of the isotopes manufactured at Harwell and substantial quantities have been sold to overseas customers. Our knowledge of the means of producing electricity from atomic power on a large scale has, thanks to the efforts of the Atomic Energy Authority and its predecessors, now reached the stage when it has become possible for the Government to decide to embark on a programme of big nuclear power stations comparable in output to modern coal-fired stations. In our view the successful use of atomic energy to generate electrical power on a commercial basis is of crucial importance to the future of the national economy.

The Government also look forward to the time when the United Kingdom will be able to assist other countries not only, as now, with their research and development programmes and with training their scientists and engineers, but also by exporting nuclear power stations for the generation of electricity especially in areas where generation by other means may be difficult or more expensive. Copies of the White Paper describing the provisional programme drawn up by the Government for the construction and development of nuclear power reactors over the next ten years or so are available in the Printed Paper Office.
CABINET

NAVAL NEW CONSTRUCTION PROGRAMME 1955-56

MEMORANDUM BY THE FIRST LORD OF THE ADMIRALTY

My proposals for the Naval New Construction Programme for 1955-56 are set out below.

PART I.—CONVENTIONAL SHIPS

2. The first part deals with vessels of existing design armed with conventional weapons; this programme is as follows:—

2 Fast Fleet Escorts.
3 First Rate Anti-Submarine (A/S) Frigates.
1 Anti-Aircraft (A/A) Frigate.
4 General Purpose Frigates.
10 Coastal Minesweepers.
3 “X” Craft (or Midget Submarines).
4 Fast Patrol Boats.
2 Boom Defence Vessels.
1 Ocean Tug.
1 Cable Ship.

3. It is becoming increasingly urgent to make provision for modern ships to replace those older vessels which are rapidly becoming worn out and incapable of fighting under modern conditions. A review of the reserve fleet and the known poor state of some of the ships have emphasised that a replacement programme must be commenced without further delay if the fleet is to be capable of achieving both its peace and war tasks.

4. Not all the vessels listed in paragraph 2 will be laid down during the coming financial year but some expenditure will be incurred on each of them for machinery and/or equipment.

5. In addition, the programme includes a number of miscellaneous vessels, such as craft for use in amphibious operations, for dockyard and naval servicing purposes, and motor boats for the fleet.

6. A few of the ships listed above need a word of explanation:—

Fast Fleet Escorts
These will be the up-to-date version of the destroyer.

Minesweepers
These will not be laid down until 1956, although a great deal of preliminary work will occur in 1955-56. The number included in the programme and the timing of the work on them is calculated, in accordance with the discretion given
to me by the Cabinet (C.C. (54) 73rd Conclusions, Minute 1) to mitigate the effect
in the small shipyards of the recent decision to reduce the minesweeper programme
as a whole.

Cable Ship

This is needed to augment the numbers of this type of ship, which will be
required to lay the anti-submarine detection devices and navigational aid
equipments which are being developed.

Finance

7. The estimated cost of the programme described in Part I is £41,137,000
spread over five years, although the figure at this stage is necessarily very tentative.
Miscellaneous vessels are reckoned to cost an additional £3,391,000. An analysis
of these figures is in Table I of Appendix I.

8. I take this opportunity to ask also for covering approval of the reliefs of
the new construction programme for 1952-53, 1953-54 and 1954-55. These have
been under such constant adjustment as a result of successive reviews of defence
policy that it would have been premature to have sought formal approval at any
earlier date. Details of the present state of these programmes, which have been
severely truncated with the passage of time, are given in Appendix I. Work on
most of the vessels has with Treasury concurrence already been started. Table II
shows the estimated cost of all the ships and craft included in these programmes.

PART II.—GUIDED WEAPONS SHIPS

9. As the chart at Appendix II shows, our cruiser fleet is ageing rapidly.
In spite of the decision to complete the 3 Tigers, by 1962 our total cruiser strength
will be down to 14 as compared with the present figure of 23, and by 1965 it will
be reduced to 7. In order to arrest this process of decay, a programme of new
construction of a class of ship designed to replace the present type of cruiser must
be started as soon as possible. In the Admiralty’s view, this new class should be
armed with guided weapons.

10. The time has now come in the development of the guided weapon and
its associated equipment when the Admiralty feel confident that they can proceed
with the design and eventual construction of an operational vessel to carry this
new and revolutionary weapon. The guided weapon will, we believe, effect a
revolution in certain types of naval warfare which is comparable to the change
once brought about by the introduction of the Dreadnought.

11. In its first application the guided weapon will be a purely ship-to-air
weapon. It is planned to develop the system to be capable of operating a ship-to-
ship weapon from the same equipment, but this latter application lies some years
ahead.

12. At first the guided weapon ship will have a dual armament consisting
of a ship-to-air guided weapon system of great lethality which will immensely improve
our ability to defend ourselves against air attack even though it be made by the
most modern fast aircraft, and a modern gun armament for surface, anti-aircraft
fire and bombardment. The ship will be so designed that this gun armament
can be replaced by the ship-to-ship guided weapon system when this is available;
and with this in mind we have deliberately limited the size of the ship to that
required for the eventual fitting of the guided weapon armament and have
complemented her with guns that are convenient for a ship of such size.

13. These ships will be of the order of 11,000 tons. The present tentative
estimate of cost is about £11 million a ship, which would be spread over 6 to 7
years.

14. It is too early at present to say how many of this class of ship will be
needed, and further study will be given to this during the next few months. What
is required now is authority to proceed with the preparation of a detailed design,
with the intention of placing orders as soon as the design work has made sufficient
progress. At this stage I shall consult my colleagues again.
Conclusion

15. I accordingly seek:

(a) approval for the New Construction Programme for 1955-56 given in Part I;
(b) covering approval for the New Construction Programmes for 1952-53, 1953-54 and 1954-55 set out in Appendix I;
(c) approval for the proposals concerning guided weapon ships set out in Part II.

J. P. L. T.

Admiralty, S.W. 1.
5th February, 1955.

APPENDIX I

The new construction programmes of 1952-53, 1953-54 and 1954-55 have been scaled down to the following:—

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-Submarine, 1st Rate</td>
<td>...</td>
<td>...</td>
<td>2</td>
</tr>
<tr>
<td>Aircraft Direction</td>
<td>...</td>
<td>...</td>
<td>1</td>
</tr>
</tbody>
</table>

| Minesweepers— | | | |
|-----------------------------------------------| | | |
| Coastal | 40 | 7 | 10 |
| Inshore | 33* | 7 | ... |

| Submarines— | | | |
|----------------------| | | |
| Fast Battery Drive | 2 | ... | ... |
| New Design | 1 | ... | 5 |
| "X" Craft | ... | 1 | ... |

| Fast Patrol Boat | ... | ... | 1 |
| Boom Defence Vessels | ... | ... | 2 |
| Survey Motor Launches | ... | 3 | ... |

| By Purchase— | | | |
|-----------------| | | |
| Motor Minesweeper | 1 | ... | ... |
| Motor Fishing Vessels | 2 | ... | ... |
| Trials Ship | 1 | ... | ... |

Plus miscellaneous ancillary vessels and craft, including H.M.Y. Britannia.

* Including 10 to be purchased by the United States under "off-shore purchase" arrangements for allocation to other N.A.T.O. countries.
<table>
<thead>
<tr>
<th>WARSHIPS</th>
<th>Expenditure prior to 31.3.1955(a)</th>
<th>1955-56</th>
<th>1956-57</th>
<th>1957-58</th>
<th>1958-59</th>
<th>1959-60 and later</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Fast Escorts</td>
<td>20,000</td>
<td>87,000</td>
<td>760,000</td>
<td>1,623,000</td>
<td>2,306,000</td>
<td>4,062,000</td>
<td>8,858,000</td>
</tr>
<tr>
<td>3 First Rate A/S Frigates</td>
<td>138,000</td>
<td>1,180,000</td>
<td>2,429,000</td>
<td>2,864,000</td>
<td>1,782,000</td>
<td>8,393,000</td>
<td>8,393,000</td>
</tr>
<tr>
<td>1 Anti-Aircraft Frigate</td>
<td>35,000</td>
<td>410,000</td>
<td>935,000</td>
<td>1,222,000</td>
<td>843,000</td>
<td>3,445,000</td>
<td>3,445,000</td>
</tr>
<tr>
<td>4 Frigates (general purpose)</td>
<td>138,000</td>
<td>1,010,000</td>
<td>2,841,000</td>
<td>4,147,000</td>
<td>1,137,000</td>
<td>9,273,000</td>
<td>9,273,000</td>
</tr>
<tr>
<td>10 Coastal Minesweepers, Type I</td>
<td>111,000</td>
<td>226,000</td>
<td>579,000</td>
<td>1,652,000</td>
<td>1,949,000</td>
<td>793,000</td>
<td>5,310,000</td>
</tr>
<tr>
<td>3 &quot;X&quot; Craft</td>
<td>3,000</td>
<td>32,000</td>
<td>156,000</td>
<td>89,000</td>
<td>26,000</td>
<td>306,000</td>
<td>306,000</td>
</tr>
<tr>
<td>4 Fast Patrol Boats (medium)</td>
<td>39,000</td>
<td>117,000</td>
<td>400,000</td>
<td>2,309,000</td>
<td>1,040,000</td>
<td>3,905,000</td>
<td>3,905,000</td>
</tr>
<tr>
<td>2 Boom Defence Vessels</td>
<td>6,000</td>
<td>132,000</td>
<td>450,000</td>
<td>127,000</td>
<td>3,000</td>
<td>718,000</td>
<td>718,000</td>
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<tr>
<td>1 Ocean Tug</td>
<td>31,000</td>
<td>139,000</td>
<td>193,000</td>
<td>51,000</td>
<td>1,000</td>
<td>415,000</td>
<td>415,000</td>
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<tr>
<td>1 Cable Ship</td>
<td>19,000</td>
<td>164,000</td>
<td>278,000</td>
<td>49,000</td>
<td>4,000</td>
<td>514,000</td>
<td>514,000</td>
</tr>
<tr>
<td>Total—Naval new construction programme</td>
<td>131,000</td>
<td>722,000</td>
<td>4,522,000</td>
<td>10,957,000</td>
<td>15,113,000</td>
<td>9,691,000</td>
<td>41,137,000</td>
</tr>
<tr>
<td>Miscellaneous vessels</td>
<td>—</td>
<td>41,000</td>
<td>953,000</td>
<td>1,579,000</td>
<td>779,000</td>
<td>39,000</td>
<td>3,391,000</td>
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<tr>
<td>Grand Total for 1955-56 programme</td>
<td>131,000</td>
<td>763,000(b)</td>
<td>5,476,000</td>
<td>12,536,000</td>
<td>15,922,000</td>
<td>9,730,000</td>
<td>44,528,000</td>
</tr>
</tbody>
</table>

(a) Expenditure incurred prior to 1955-56 for machinery which needs to be ordered in advance of the hulls in order to meet completion dates.
(b) In estimating the cost figure to be provided in Navy Estimates to pay for the programme, allowance has been made for expected delays, &c., in production amounting to £50,000 in the financial provision for the year.
<table>
<thead>
<tr>
<th>WARSHIPS</th>
<th>Expenditure prior to 31.3.1955(a)</th>
<th>1955-56</th>
<th>1956-57</th>
<th>1957-58</th>
<th>1958-59</th>
<th>1959-60 and later</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 First Rate A/S Frigates</td>
<td>-</td>
<td>506,000</td>
<td>1,574,000</td>
<td>2,138,000</td>
<td>1,380,000</td>
<td>-</td>
<td>5,598,000</td>
</tr>
<tr>
<td>1 Aircraft Direction Frigate</td>
<td>177,000</td>
<td>348,000</td>
<td>853,000</td>
<td>1,050,000</td>
<td>268,000</td>
<td>10,000</td>
<td>2,706,000</td>
</tr>
<tr>
<td>57 Coastal Minesweepers, Type 1</td>
<td>12,007,000</td>
<td>8,278,000</td>
<td>5,380,000</td>
<td>1,593,000</td>
<td>169,000</td>
<td>-</td>
<td>27,427,000</td>
</tr>
<tr>
<td>40 Inshore Minesweepers, Type 1</td>
<td>5,723,000</td>
<td>2,754,000</td>
<td>977,000</td>
<td>6,000</td>
<td>-</td>
<td>-</td>
<td>9,460,000</td>
</tr>
<tr>
<td>2 Submarines (fast battery drive)</td>
<td>58,000</td>
<td>519,000</td>
<td>1,003,000</td>
<td>1,066,000</td>
<td>327,000</td>
<td>89,000</td>
<td>3,062,000</td>
</tr>
<tr>
<td>6 Submarines (new design)</td>
<td>34,000</td>
<td>308,000</td>
<td>1,131,000</td>
<td>2,467,000</td>
<td>2,435,000</td>
<td>1,286,000</td>
<td>7,661,000</td>
</tr>
<tr>
<td>1 &quot;X&quot; Craft</td>
<td>1,000</td>
<td>6,000</td>
<td>19,000</td>
<td>35,000</td>
<td>17,000</td>
<td>-</td>
<td>78,000</td>
</tr>
<tr>
<td>1 Fast Patrol Boat (medium)</td>
<td>13,000</td>
<td>259,000</td>
<td>173,000</td>
<td>77,000</td>
<td>-</td>
<td>-</td>
<td>522,000</td>
</tr>
<tr>
<td>2 Boom Defence Vessels</td>
<td>13,000</td>
<td>118,000</td>
<td>430,000</td>
<td>159,000</td>
<td>-</td>
<td>-</td>
<td>720,000</td>
</tr>
<tr>
<td>3 Survey Motor Launches</td>
<td>103,000</td>
<td>159,000</td>
<td>250,000</td>
<td>187,000</td>
<td>-</td>
<td>-</td>
<td>699,000</td>
</tr>
<tr>
<td>1 Motor Minesweeper...</td>
<td>14,000</td>
<td>8,000</td>
<td>33,000</td>
<td>23,000</td>
<td>-</td>
<td>-</td>
<td>78,000</td>
</tr>
<tr>
<td>2 Motor Fishing Vessels By purchase</td>
<td>9,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,000</td>
</tr>
<tr>
<td>1 Trials Ship</td>
<td>145,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>145,000</td>
</tr>
<tr>
<td>Total—Naval new construction programme</td>
<td>18,297,000</td>
<td>13,263,000</td>
<td>11,823,000</td>
<td>8,801,000</td>
<td>4,596,000</td>
<td>1,385,000</td>
<td>58,165,000</td>
</tr>
<tr>
<td>Miscellaneous vessels(b)</td>
<td>2,765,000</td>
<td>939,000</td>
<td>1,210,000</td>
<td>410,000</td>
<td>10,000</td>
<td>-</td>
<td>5,325,000</td>
</tr>
<tr>
<td>Grand Total—1952-53, 1953-54 and 1954-55 programmes</td>
<td>21,062,000</td>
<td>14,202,000(c)</td>
<td>13,033,000</td>
<td>9,202,000</td>
<td>4,606,000</td>
<td>1,385,000</td>
<td>63,490,000</td>
</tr>
</tbody>
</table>

(a) Expenditure incurred prior to 1955-56 with the concurrence of the Treasury.
(b) Includes provision for the Royal Yacht/Hospital Ship.
(c) In estimating the cash figure to be provided in Navy Estimates to pay for the programme, allowance has been made for expected delays, &c., in production amounting to £2,400,000 in the financial provision for the year.
SECRET

C. 59 32

8th February, 1944

Dear Sir,

I am forward this letter from the First Lord of the Admiralty,

My proposals for the Navy's New Construction programme for 1944-45 are attached below.

1. The First Lord wishes to draw your attention to the following matters which are of importance:
   a. The need for an increase in the number of vessels under construction.
   b. The necessity for a more efficient use of resources.
   c. The importance of maintaining a balanced programme.

2. The First Lord also wishes to draw your attention to the following proposals for new construction:
   a. An increase in the number of destroyers, frigates, and corvettes.
   b. The construction of a new class of battleships.
   c. The construction of a new class of aircraft carriers.

3. The First Lord further wishes to draw your attention to the following proposals for new construction:
   a. An increase in the number of submarines.
   b. The construction of a new class of missile boats.
   c. The construction of a new class of anti-submarine vessels.

4. The First Lord also wishes to draw your attention to the following proposals for new construction:
   a. An increase in the number of意想不到的 ships.
   b. The construction of a new class of transport ships.
   c. The construction of a new class of hospital ships.

5. In conclusion, the First Lord wishes to re-emphasize the importance of maintaining a balanced programme and to urge you to take all necessary steps to ensure its success.

Yours sincerely,

[Signature]

[Name]

[Position]
8th February, 1955

CABINET

NEW COLONIAL OFFICE BUILDING

MEMORANDUM BY THE MINISTER OF HOUSING AND LOCAL GOVERNMENT

The Scheme to build a new Colonial Office opposite Westminster Abbey raises three separate issues:

(a) Is the proposed building suitable for the site?
(b) If not, what use could be made of the site?
(c) Where else could the Colonial Office go?

Unsuitability of Proposed Building

2. The site concerned was previously occupied by two buildings—the Westminster Hospital and, behind it, the Stationery Office.

3. The original plans for the new Colonial Office provided for a building which would cover virtually the whole of this combined area. These plans were widely criticised on the grounds that the building would be too large in every way. In particular, the Royal Fine Art Commission advised that the old Westminster Hospital site should be left almost entirely vacant and that any new building should be confined to an area approximately the same as that formerly occupied by the old Stationery Office (shaded red on the attached plan).

4. Thereafter, the plans were somewhat revised and the façade was taken back about 30 feet. Nevertheless, it would still jut out some 65 feet beyond the site of the old Stationery Office.

5. However, the most objectionable feature of the proposed new building is its excessive height. It would be about half as high again as the roof of the Middlesex Guildhall; and would thus entirely alter the skyline and general appearance of the west side of Parliament Square.

6. The fact is that the proportions of the proposed new building seem to have been determined more by the number of Colonial Office staff to be accommodated than by the size of the site and the character of its surroundings.

What use should be made of the site?

7. If, as I hope, it should be decided to drop the proposal to construct a new Colonial Office opposite Westminster Abbey, the site might be used in one of two ways.

8. A building of much reduced height could be constructed on the site of the old Stationery Office, leaving the site of the old Westminster Hospital open, and thus providing a wider prospect and more worthy approach to the western entrance of the Abbey.

9. Alternatively, the whole of the combined site could be left open with a view to creating, eventually, a “Greater Parliament Square,” embracing the entire area between Princes Street and the Houses of Parliament.

47624
10. Before a decision on this issue could be taken, sketches and outline plans of both these alternatives would have to be prepared.

11. Since this question will inevitably take some time to settle, I am much attracted by the Prime Minister's proposal in C. (54) 393 that "meanwhile the palisade should be pulled down so that the public could see for the first time what possibilities the site presents."

Where else could the Colonial Office go?

12. There remains the question of accommodating the Colonial Office.

13. I like the suggestion, in paragraph 5 of the Minister of Works' paper (C. (55) 2), that the Colonial Office and the Commonwealth Relations Office should both be accommodated in the same block, possibly but not necessarily in Carlton House Terrace.

14. In view of the increasing awkwardness of drawing the line between the Commonwealth and the Colonial Empire in its various stages of self-government, I think it more than likely that, before many years go by, we shall find it expedient to merge the two Departments into a single Commonwealth Office. If that view should prove correct, it would, of course, be a great convenience if the two Departments were already housed in the same building.

Conclusions

15. My conclusions can be summed up as follows:—

(a) the proposed new building is too large and, above all, too high for the site and will prejudice the appearance of the west side of Parliament Square and the approach to the Abbey;

(b) if the Colonial Office staff cannot manage with any less accommodation, their new offices should be located elsewhere;

(c) two alternative uses for the Westminster site should be studied:—

(i) to construct a lower building on part only of the site; or

(ii) to leave the whole site open with a view to creating eventually a "Greater Parliament Square";

(d) meanwhile, the palisade should be pulled down so that the potentialities of the site can be seen;

(e) in view of possible future developments, there would be advantage in locating the Colonial Office in a building large enough to accommodate the Commonwealth Relations Office also (e.g., Carlton House Terrace).

D. S.

Ministry of Housing and Local Government, S.W. 1,
7th February, 1954.
NEW COLONIAL OFFICE PROJECT

REDUCED AREA FOR BUILDING AS DESIRED
BY ROYAL FINE ART COMMISSION
CABINET

COLONIAL IMMIGRANTS

MEMORANDUM BY THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
AND THE SECRETARY OF STATE FOR THE COLONIES

As requested by the Cabinet on 13th January, 1955 (C.C. (55) 3rd Conclusions, Minute 6), we circulate a draft White Paper showing the legislation and regulations affecting the entry of British subjects into the self-governing Commonwealth countries and Colonies.

2. The corpus of statutory provisions in the case of most self-governing countries is complicated and confused, and it would certainly be necessary to secure the concurrence of all the Governments concerned in the summaries relating to their countries before publication. Moreover, the bare summaries of the statutory requirements in some cases give a somewhat misleading picture, since a good deal depends on the administrative interpretation of the statutory requirements. The Governments may take exception even to such limited interpretive matter as has been included in the draft.

3. Although Colonial Governments have not the same independent status, some of them (Malta and the Gold Coast, for example) are constitutionally far advanced, and in all the colonial territories the Secretary of State rarely intervenes in the administration of the local immigration laws and regulations. The colonial section of the draft White Paper has been prepared from information available in the Colonial Office. With the number of territories involved, each with its own immigration problems, laws and methods of administrative interpretation, this draft must be regarded as provisional; and before publication (if that were decided on) it would be desirable to refer most of the text to the Colonial Governments concerned, in the interests of accuracy.

SWINTON.
A. L.-B.

14th February, 1955
CIRCULAR

COLONIAL IMPRISONMENT

MEMORANDUM TO THE SECRETARY OF THE COLONIAL OFFICE

This circular is to be distributed to all Colonies for consideration and action. It is intended to provide a basis for discussion on the subject of Colonies and the implications of their involvement in the international political and economic system.

The circular outlines the current state of affairs in the Colonies and highlights the need for a coordinated approach in dealing with the challenges facing them. It emphasizes the importance of maintaining a consistent policy framework to ensure the long-term stability and development of the Colonies.

The circular also addresses the role of the Colonial Office in facilitating dialogue and cooperation among the Colonies. It suggests ways in which the Colonial Office can support the Colonies in addressing their specific needs and concerns.

In conclusion, the circular serves as a comprehensive guide for the Colonies, offering insights and recommendations for navigating the complex landscape of international politics and economics.
Summary of Restrictions on the entry of British Subjects into British Territories overseas and the Irish Republic
PART I

RESTRICTIONS ON THE ENTRY OF BRITISH SUBJECTS INTO SELF-GOVERNING COMMONWEALTH COUNTRIES

The following is a summary of the principal relevant regulations in each country at the present time:

CANADA

1. The Immigration Act, 1952, empowers the Government of Canada to regulate the admission into that country of all persons other than Canadian citizens and persons who have had a place of domicile in Canada for five years.

2. The following classes of persons are (among others) deemed to be prohibited, and persons found to be in those classes may not enter Canada:

   - Mentally defective and diseased persons and physically defective persons who are likely to become a public charge;
   - Criminals, prostitutes, homosexuals and procurers;
   - Professional beggars or vagrants;
   - Chronic alcoholics, drug addicts or traffickers;
   - Persons, who are members of, or are suspected of being members of, subversive organisations;
   - The dependents of persons in these classes.

3. Certain classes of persons are allowed to enter and remain in Canada as non-immigrants. These include:

   - Tourists, visitors, clergymen or priests, students, dramatic, artistic and athletic groups, and persons wishing to enter Canada for the temporary exercise of their trade or calling.

4. (Persons who enter Canada as non-immigrants and who subsequently do not wish to belong to that class, are bound under Statute to report the fact to the nearest Immigration Officer and present themselves for examination as may be directed and such persons are treated as persons seeking admission to Canada as immigrants.)

5. The Governor-General-in-Council is empowered to make such regulations as are necessary to carry out the provisions of the Act, including the prohibition or limitation of admission of any persons by reason of nationality, citizenship, ethnic group, occupation, class or geographical area of origin, and the criteria contained in sub-paragraph (d)(iv) of paragraph 6 below.

6. The Immigration Regulations, 1954, provide, inter alia, the following "norms of admissibility":

   (a) British subjects by birth, or naturalisation, in the United Kingdom, Australia, New Zealand or South Africa, and citizens of the Irish Republic, may be admitted if they have sufficient means to maintain themselves until they have secured employment.

   (b) The admission of any Asian is limited to the wife, husband or unmarried children, under 21 years of age, of any Canadian citizen resident in Canada who is in a position to receive and care for them as dependents.

   (c) The landing in Canada of any immigrant is limited to the nationals of a country with which the Canadian Government has entered into
an agreement or convention respecting immigration or in regard to which there is in operation an agreement or convention.

(d) The admission into Canada of any person is prohibited when, in the opinion of a Special Inquiry Officer, that person should not be admitted by reason of:

(i) the peculiar customs, habits, modes of life or methods of holding property in his country of birth, citizenship or prior residence;
(ii) his unsuitability, having regard to the economic, social, industrial, educational, labour, health, or other conditions or requirements existing temporarily or otherwise in Canada, or the area or country from or through which he comes;
(iii) his probable inability to become readily assimilated to or assume the duties and responsibilities of Canadian citizenship within a reasonable time.

7. No person is to be admitted to Canada without a medical certificate showing that he has undergone medical examination sufficient to establish that he does not fall within the relevant clauses of persons prohibited by the Immigration Act. This provision does not, however, apply in the case of persons who are British subjects by birth, or by naturalisation, in the United Kingdom, Australia, New Zealand, or the Union of South Africa, or citizens of Ireland, though such persons may, as a measure of facilitation, equip themselves with a medical certificate. It also does not apply to persons coming directly from the United States of America or Alaska.

AUSTRALIA

1. The entry of all persons into Australia is controlled by the provisions of the Immigration Acts, 1901-1949. The following classes of persons are deemed to be prohibited immigrants, who, generally speaking, may not enter Australia but who may, in special cases, be admitted on Certificates of Exemption:

Persons unable to pass a dictation test in any prescribed European language; persons not in possession of a Health Certificate; persons suffering from mental or physical disease; prostitutes or procurers; persons physically defective to the extent that they are likely to become a public charge; subversives or revolutionaries; any person convicted and sentenced to imprisonment for a year or more; or any person declared by the authorities to be undesirable as the result of information received from another Government.

2. In practice, British subjects of European race not falling within the above categories do not require any special authorisation to enter Australia. They are, however, required to hold valid passports.

3. Non-European British subjects are not generally permitted to take up permanent residence in Australia, though there is no statutory authority for their exclusion. Their entry is controlled by administrative use of the dictation and medical tests, though they may be permitted to enter temporarily. Certain categories of these persons can apply for visas or letters of authority before starting their journey. (Holders of United Kingdom passports are given letters of authority; holders of other Commonwealth passports need visas.)

NEW ZEALAND

1. Immigration into New Zealand is controlled by the Immigration Restriction Acts, 1908-1951.
The following classes of persons are deemed to be prohibited immigrants:

- Idiots or imbeciles, persons suffering from a loathsome or contagious disease, persons who have within two years of arrival been released from imprisonment imposed for serious criminal offences.

3. All persons subject to infirmity of any kind require special permission to enter. The Attorney-General may prohibit the entry of any person not permanently resident in New Zealand whose presence might be injurious to the peace, order and good government of the country.

4. Persons not of British birth and parentage are required to be in possession of a valid permit (British birth in this connection means birth on British soil of parents of European stock who were themselves British by birth, and specifically excludes persons who, or either of whose parents are, naturalised or persons who are, or are descended from, aboriginal natives of any Dominion other than the Dominion of New Zealand, or of any British Colonial territory). Any British subject arriving without a permit but proving that he desires to enter New Zealand as a visitor for not more than six months for business, pleasure or health, may be granted a temporary permit.

5. Statutory authority exists for the imposition of quotas, but these powers have not as yet been used.

**UNION OF SOUTH AFRICA**

1. The entry of all persons other than South African citizens is controlled by the Immigrants Regulations Act, 1913-1954, which specifies certain classes of prohibited immigrants, viz.:—

- Persons who on economic grounds or on account of standards or habits of life are deemed unsuited to the requirements of the Union or any particular provision thereof; persons unable by reason of deficient education to read or write any European language; persons likely to become a public charge by reason of infirmity or lack of means; persons who from information received from any Government are deemed to be undesirable inhabitants of or visitors to the Union; criminals, idiots, seriously diseased persons, prostitutes, procurers and persons convicted of serious crimes.

2. The first of the above grounds is used to exclude most persons not regarded as of European race.

3. British subjects who fall within the Aliens Act, 1937, i.e., those who are not natural-born British subjects, citizens of South Africa, or lawfully domiciled in the Union, are required to obtain permits to enter the Union whether for the purpose of permanent residence or temporary sojourn.

4. All natural-born British subjects who do not fall within the prohibited categories are free to enter the Union. But in virtue of Section (1)(b) of the South Africa Citizenship Act, 1949, British subjects who have not been admitted to the Union for permanent residence are disqualified from registering as South African citizens (upon which depends exercise of certain rights). Admission for permanent residence is usually obtained by means of a letter from the South African Representative in the country of origin.

**INDIA**

1. The Indian Passport Act, 1920, empowers the Government of India to make rules to require persons entering India to be in possession of passports and for matters ancillary to that purpose. The Indian Passport Rules, 1950,
provide that British subjects (with minor exceptions) proceeding from any place outside India and seeking to enter India, must be in possession of a valid passport endorsed as valid for entry into India.

2. An amendment to the Indian Passport Rules, 1950, made in 1952 provides that Pakistanis must be in possession of a visa for entry into India. Ceylonese also require visas.

The Reciprocity Act, 1943, provided that persons not being of Indian origin domiciled in a British Possession should be entitled only to such rights and privileges as regards, inter alia, travel and residence as were accorded by such Possession to persons of Indian origin. In 1944 the Government of India applied these powers to persons not of Indian origin domiciled in the Union of South Africa, who accordingly require permits for entry into and residence in India, which are issued only at the ports of entry.

PAKISTAN

1. The Indian Passport Act, 1920, empowers the Government of Pakistan to make rules to require persons entering Pakistan to be in possession of passports and for matters ancillary to that purpose. Rules made by the Government of Pakistan under that Act provide that persons who are not Pakistan citizens proceeding from any place outside Pakistan and seeking to enter Pakistan, must be in possession of a valid passport endorsed as valid for entry into Pakistan.

2. The Pakistan (Control of Entry) Act, 1952, requires Indian citizens entering Pakistan to be in possession of a visa.

3. The Indian Reciprocity Act, 1943, provided that persons not being of Indian origin domiciled in a British Possession should be entitled only to such rights and privileges as regards, inter alia, travel and residence as were accorded by such Possession to persons of Indian origin. In 1944 the Government of India applied these powers to persons not of Indian origin domiciled in the Union of South Africa, who accordingly require permits for entry into and residence in India, which are issued only at the ports of entry. These provisions remain in force in respect of entry into and residence in Pakistan.

CEYLON

1. The Immigrants and Emigrants Act of 1948 and Regulations thereunder give powers to the Government of Ceylon to enable them to control the entry of all persons other than citizens of Ceylon. All British subjects, other than citizens of Ceylon or persons belonging to categories specifically exempted, require a visa or residence permit.

2. Normally permission to enter Ceylon will be refused to:

   Persons who are unlikely to be able to support themselves and their dependants; mentally defective or diseased persons; prostitutes or procurers; stowaways; persons who have been sentenced for extraditable offences; and persons deemed to be undesirable or dangerous to the peace and good order of Ceylon.

3. In practice, citizens of Commonwealth countries other than India, who wish to enter Ceylon as bona fide tourists for short periods can obtain the necessary visa at the port of entry. Citizens of India, however, must apply for a visa before seeking to enter Ceylon. The maximum validity of stay permitted by a visa is six months. Statutory provision also exists whereby in cases where it is deemed necessary by the Controller of Immigration in his discretion, a security deposit can be required and a Bond entered into simultaneously; there is no limit to the amount of the deposit fixed by Law.
Permanent Residence Permits

4. Permanent Residence Permits may be issued to—
   (a) a person who is the spouse of a citizen of Ceylon;
   (b) British subjects who can establish to the satisfaction of the authorities that they had been ordinarily resident in Ceylon for a continuous period of five years immediately preceding the 1st November, 1949.

Temporary Residence Permits

5. Temporary Residence Permits may be issued at the discretion of the Controller of Immigration to—
   (a) a person to whom a Permanent Residence Permit would have been granted if he had applied for such a permit; and
   (b) a person of good character having adequate means for his maintenance, provided the Controller is satisfied that such a person is—
       (i) a person for whom a place has been reserved in an approved educational institution, or
       (ii) an apprentice or trainee in an approved firm or business undertaking, or a person serving a period of apprenticeship with a view to qualifying for admission to a profession,
       (iii) a person who wishes to spend a holiday in Ceylon, or
       (iv) a person desirous or having definite prospects, of conducting an approved trade or business, provided the Controller is also satisfied that the person has the necessary aptitude and means to conduct such trade or business with reasonable prospects of success and that his conduct of such trade or business will not be prejudicial to the interests of the permanent inhabitants of Ceylon.

FEDERATION OF RHODESIA AND NYASALAND

The entry of all persons into the Federation is controlled, by the provisions of the Immigration Act, 1954, and the Regulations made thereunder.

2. The following classes of persons are prohibited immigrants:—
   (a) any person or class of persons deemed on economic grounds or on account of standard or habits of life to be undesirable inhabitants or to be unsuited to the requirements of the Federation;
   (b) persons, other than Africans, who are unable, by reason of deficient education, to read and write a European language;
   (c) persons likely to become a public charge by reason of infirmity or lack of means;
   (d) persons (with certain exceptions) physically afflicted, or suffering from mental or prescribed physical diseases;
   (e) persons convicted of serious criminal offences, or deported from the Federation;
   (f) prostitutes, homosexuals or procurers;
   (g) any person who, from information received from any Government, is deemed to be an undesirable inhabitant or visitor;
   (h) persons not in possession of a valid passport.

3. The Governor-General is also empowered to make regulations for further controlling, restricting or prohibiting the entry of persons into the Federation, and such regulations may, inter alia, provide for requirements as to—
   (1) education, training and experience;
   (2) capital or income;
(3) the obtaining of employment in the Federation before arrival and for such period as may be prescribed;
(4) the setting up of Boards or other authorities for the selection of immigrants.

Such regulations may prescribe different requirements for different classes of persons or for persons of different occupations, and limit the number of persons from any specified country or group of countries which may be permitted to enter the Federation during any specified period.

4. The Immigration (Selection) Regulations, 1954, made under these powers prescribed that no European visitor to the Federation shall take up employment in the Federation or remain longer than 12 months, unless he has been granted a residence permit. Residence permits are to be granted by the British Immigrant Selection Boards set up in London and Salisbury, in accordance with quotas prescribed for countries or groups of countries, to persons of good character likely to be efficient in the occupation to be undertaken in the Federation, in possession of sufficient capital or income, or likely to earn sufficient means for the maintenance of themselves and their families.

5. A temporary permit may be issued to any immigrant prohibited other than on the grounds specified in (a) and (g) in paragraph 2 above.

PART-II

RESTRICTIONS ON THE ENTRY OF BRITISH SUBJECTS INTO THE DEPENDENT OVERSEAS TERRITORIES

General

Every oversea territory has its own immigration legislation to govern the entry of persons other than those defined in the law as "natives of" or "belonging to" the territory. Few territories have separate legislation for British subjects and the conditions governing entry are, as a rule, applicable for both British subjects and aliens.

The legislation varies from territory to territory, but it generally defines those who are exempted from its operation and those whose entry is prohibited. The particular categories of exempted and prohibited immigrants again vary from territory to territory, but they usually include some or all of the following categories.

Prohibited classes:

(a) any person who is unable to show that he has the means of supporting himself and his dependants, or that he has definite employment awaiting him, or he is likely to become a pauper, or a charge on public funds;
(b) anyone who is suffering from mental disorder or is a mental defective;
(c) any person suffering from an infectious, contagious or communicable disease;
(d) prostitutes;
(e) vagrants and habitual beggars;
(f) any person whose presence is considered to be harmful to good order and government;
(g) any person who, in consequence of information received from any source deemed to be reliable is deemed to be undesirable;
(h) any person previously repatriated or deported from the territory;
any person who has been convicted and sentenced to imprisonment, and has not received a free pardon;

(k) any person who may be deemed by the Governor to be an undesirable immigrant.

The exempted classes normally include—

(a) those deemed to be “natives of” or “belonging to” the territory as defined in the law,

(b) those in the service of the Government of the territory or in approved employment,

(c) Members of Her Majesty’s regular armed forces.

For those not in either the “prohibited” or “exempted” classes the conditions of entry vary as to whether the person is a visitor or intends to become a resident.

The requirements of the individual territories are as follows:

ADEN COLONY

The Governor may, in his absolute discretion, prohibit the entry of any person, not being a British subject, born in Aden, provided that no subject of Her Majesty shall on grounds of religion, place of birth, colour, descent, or any of them, be prohibited on such grounds from entering the Colony.

Intending residents must obtain a permit from the Chief Immigration Officer, and permission will be granted only to persons taking up employment in an approved occupation.

Visitors are granted permits on arrival, valid for three months, provided they are properly documented, have sufficient funds to reach their destination or an onward passage ticket.

A deposit, in cash or by bond, of up to £100 may be required by the Immigration Officer, of anyone entering the Colony.

ADEN PROTECTORATE

Entry into the Protectorate is prohibited without prior permission. Intending visitors or immigrants must apply to the Chief Secretary, Aden Government, setting out their reasons for wishing to enter the Protectorate. If entering via the Aden Colony, the colony immigration regulations apply.

BAHAMAS

Immigrants i.e., any person not a native of the Colony and a British subject, or his wife or child under 16, must produce medical and character certificates, and a deposit of £20 or sureties. Bona fide visitors, persons in transit or with return tickets, persons in an official position in the Colony, and persons who have resided for 5 years or more and who have not been absent more than 2 years are not treated as immigrants. Immigrants may be required to leave or be deported if they receive a prison sentence, or become an inmate in a lunatic asylum, or pauper, or if they are considered undesirable. No separate provision exists for the treatment of British subjects not natives of the Colony. Intending residents must obtain permission from the Immigration Officer which will be granted only to those taking up employment in an approved occupation or who are in a financial position to maintain themselves without taking up employment in the Colony.

Visitors are granted permits on arrival valid for 8 months, provided they are properly documented, have passage tickets out of the Colony, and sufficient funds for their destination. The holder of a visitor’s permit may not take employment without the permission of the Immigration Officer.
The Immigration Officer may, at his discretion, require anyone entering the Colony, to make a deposit in cash, or by bond, to cover repatriation expenses.

**BARBADOS**

See under West Indies.

**BERMUDA**

British subjects not Bermudians by birth must have 7 (temporarily 8) years' residence in the Colony before acquiring domicile, which confers the right to carry on any trade, profession or business, to enter into employment, and be exempt from liability of deportation. Permission for undomiciled persons to enter employment is conferred in respect of a few approved forms of occupation or by special permission only. Domicile is lost if the person concerned has resided in another part of Her Majesty's dominions for 7 years or more. No difficulties are placed in the way of bona fide visitors and persons of independent means wishing to take up residence. The implementation of legislation is in the hands of a statutory Board of Immigration which works more or less autonomously and interprets the law strictly.

New legislation, now passing through the Bermuda Legislature, provides for the acquisition of "Bermudian Status" for which the qualifying period of residence will be 7 years, as previously in the case of domicile. The acquisition of Bermudian Status after the qualifying period is, however, not to be automatic but at the discretion of the Governor-in-Council. For those not of Bermudian birth, Bermudian status will be lost after 5 years unless the period is extended up to 7 years by the Governor-in-Council.

**BRITISH GUIANA**

Any person, other than a British subject domiciled in the Colony or resident there for the preceding 2 years, who is a convict (as defined in the law), or whose presence in the Colony the Governor-in-Council considers to be detrimental to the preservation of peace and good order, may be prohibited from entering, or ordered to leave or be deported from the Colony.

Any immigrant may be required to make a deposit, or furnish a security bond, from B.W.I. $96 (£20) to B.W.I. $2,000 (£417) according to place of origin.

**BRITISH SOLOMON ISLANDS PROTECTORATE**

Intending residents must obtain a permit from the Chief Immigration Officer, and permission will be granted only to those taking up employment in an approved occupation. Visitors may enter and remain for a period of 3 months, subject to their being properly documented, having onward passage tickets or sufficient funds to reach their onward destination.

The Chief Immigration Officer may, at his discretion, require anyone entering the Protectorate to make a deposit in cash, or by bond, of a sum covering the cost of either air or steamship passage from the Protectorate to the person's country of domicile.

**BRUNEI, NORTH BORNEO AND SARAWAK**

In all three territories any person, including a British subject, can be refused entry if he is not sponsored or has no definite employment waiting for him, unless he is a person born in the territory who has not subsequently become an alien. Entry can also be refused to any person declared undesirable.
The Governor of Sarawak also has power to prohibit or limit entry into the Colony of any person or class of persons in the interest of public security, or by reason of any economic, industrial, social, educational or other conditions in the Colony.

The Governor of North Borneo has power to prohibit the entry of any person whose entry is considered to be to the prejudice of the inhabitants of the Colony.

Intending residents for Brunei State must obtain a permit from the Senior Immigration Officer, and permission will be granted only to those taking up employment in an approved occupation.

For Sarawak permission is issued only for a limited category of employment.

For North Borneo intending immigrants must obtain written permission to enter before sailing for the Colony.

Anyone entering Sarawak or North Borneo may be required to make a deposit in cash or by bond, while for Brunei there is a stipulated amount of money which an immigrant must have in his possession on arrival.

**Cyprus**

British subjects who are not prohibited immigrants may enter the Colony without formality. The Chief Immigration Officer may, however, impose such conditions, limitations or restrictions, as he may think fit, on their residence.

**East Africa**

Immigration legislation common to the four East African territories (Kenya, Uganda, Tanganyika and Zanzibar) was enacted in 1948 and broadly maintains the same form at present. It does not discriminate between British subjects and those of other territories.

Under the provisions of the legislation no one may enter a territory who is not in possession of a valid entry permit or pass, except serving members of Her Majesty’s Forces and their families and the accredited Diplomatic and Consular representatives of other countries.

An intending immigrant who wishes to remain in a territory for longer than 4 years (i.e., to become a “permanent resident”) must apply to the authorities for one of eight classes of Entry Permits. Applications are considered by territorial Immigration Control Boards, which are appointed by the appropriate Governors in Council (and by the British Resident in Zanzibar). Once having satisfied the Board that he belongs to one of the eight classes prescribed, and that his work will not be to the prejudice of the inhabitants generally of the territory, a person (other than a prohibited immigrant) is entitled to be issued with an Entry Permit. Appeals against decisions of the Control Boards are heard by Immigration Appeal Tribunals, also appointed by the territorial Governors in Council (and by the British Resident in Zanzibar).

The eight classes of Entry Permits cover: (a) permanent residents and Government servants, (b) farmers, (c) prospectors, (d) traders and merchants, (e) manufacturers, (f) members of certain prescribed professions (e.g., medical, dental, legal, and veterinary), (g) persons who have been offered and have accepted employment (other than temporary employment) in a territory, and (h) persons of independent means.

Provision is made in the regulations for the issue of Temporary Employment Passes to cover employment in a territory for a period not exceeding 4 years. These Passes are issued at the discretion of the Principal Immigration Officer in each territory.

Certain categories of persons may be declared prohibited immigrants by the Principal Immigration Officers, whose decisions are subject to
confirmation by the appropriate Governors in Council (and by the British Resident in Zanzibar). These categories include destitute persons; mental defectives; those who fail to submit to a medical examination, or who are certified to be suffering from any infectious or contagious disease which would make their presence in a territory dangerous to the community; convicted murderers and others who have served prison sentences; prostitutes or any person who may have received or lived on immoral earnings; anyone who enters a territory illegally. The Governors may make orders for the deportation of any persons who have been declared prohibited immigrants.

**FALKLAND ISLANDS**

The Colonial Secretary may, at his discretion, require any person entering the Colony, who appears to be a prohibited immigrant, to make a deposit in cash, or by bond, of £100.

**FEDERATION OF MALAYA AND SINGAPORE**

Both territories have in general terms the same regulations and movement between them is unrestricted except under the Emergency Regulations. In the Federation of Malaya, apart from the Emergency Regulations, restrictions on the entry of British subjects are imposed by the Immigration (Prohibition of Entry) Orders, 1953. Their object is to ensure that nobody is admitted whose entry is not of benefit to Malaya. With certain exceptions, of which the most important provides for the entry of wives and children of residents in Malaya, the Orders allow a British subject to enter Malaya only if he falls within one of the following categories:

- (a) he possesses professional or specialist qualifications which would enable him to earn his living in Malaya without prejudicing the interests of people already resident who hold the same qualifications;
- (b) he is an employee of an established firm;
- (c) he is a skilled artisan whose entry will be in the economic interests of Malaya and whose trade or occupation is undermanned; or
- (d) he is any other person whose admission would in the opinion of the competent authorities be in the economic interests of Malaya.

These restrictions do not, however, apply to a British subject who is also a citizen of the Federation, or who was born in Malaya or has lived there for 7 of the last 10 years, or becomes a British subject by local naturalisation. These have a right of entry at any time. Nor do they apply to a temporary visit pass issued on condition that its holder does not take up any employment without consent of the Government.

The Emergency Regulations provide that any British subject who wishes to enter the Federation must hold an entry permit, unless he is either a citizen of the Federation, or a British subject born in Malaya and ordinarily resident there who has not travelled on a foreign passport, or a serving member of Her Majesty's armed forces, or the wife and child of such a member.

**SINGAPORE**

Has imposed the same restrictions with very much the same exemptions. Entry permits both to the Federation and Singapore may be refused at the discretion of the Departments of Immigration, and security deposits may be required against the issue of Visit Passes.
Fiji

No person (other than persons who belong to Fiji, members of British and Allied armed forces, and persons employed by Commonwealth Governments) may enter the colony for a stay of more than 4 months without a permit.

Permits to reside for a period less than 4 years may be issued to persons under short-term contracts of employment with local undertakings, and such persons as skilled tradesmen, apprentices and miners.

Permits to reside permanently in the Colony will, save in very exceptional circumstances, be issued only to certain classes of persons, the most important being:

(a) Professional men and women with recognised qualifications who intend to practice their profession in the Colony.
(b) Persons who satisfy the immigration authorities that they have an assured income, will not become a charge on public funds, and that their entry is not contrary to the public interest.
(c) Farmers and planters who have already acquired a property in the Colony of not less than 100 acres, three-quarters of which is productive land.

Visitors must be in possession of adequate funds and have onward or return passage tickets. They may be asked to furnish security in the form of a cash deposit or a bond to cover the cost of a return fare to their country of origin.

Gambia

Persons wishing to enter for permanent residence or employment must make prior application. Such persons are subject to conditions as to duration and place of residence, occupation or business, security to be furnished, and any other conditions as the Immigration Officer may impose.

Visitors who are properly documented and have sufficient funds for their journey may be granted permits on arrival valid for any period up to one month.

The Immigration Office may require any person entering the Gambia to make a deposit in cash, or by bond, of a sum sufficient to cover cost of repatriation.

Gibraltar

Entry of all persons who are not natives of Gibraltar, other than Her Majesty's Forces, is prohibited except on a temporary permit for which prior application has to be made and which can be revoked at any time by the Governor.

The Commissioner of Police has the right to refuse entry into Gibraltar to any person without assigning any reason.

Gilbert and Ellice Islands Colony

No person may enter the Colony unless he possesses £50 or can satisfy the Resident Commissioner that he is assured of employment and means of subsistence in the Colony.

Gold Coast

British subjects seeking to enter the Gold Coast either as residents or visitors are not required by law to be in possession of entry permits, but they are advised to obtain them prior to entry in order to ensure that they will be permitted entry under the provisions of the Immigration Ordinance.
No person other than a native of West Africa (as defined) is permitted, without the permission of the Principal Immigration Officer, to accept any paid or unpaid employment in the Gold Coast, change employment or establish or enter into partnership in any firm established in the Gold Coast or form or take part in forming a company under the Companies Ordinance or accept any directorship paid or unpaid in any such company. Applications for permission to establish businesses must be submitted to the Commissioner of Commerce. A person wishing to establish a business in the Gold Coast is required to have a minimum capital of £5,000 except in the case of a professional practice where a capital of £1,500 is required.

The Immigration Officer may, at his discretion, require any one entering the Gold Coast to make a deposit in cash or by bond of the cost of the return fare to the country of domicile of the traveller plus 25 per cent.

Visitors who have not obtained prior approval to enter are granted permits on arrival for a period of 14 days. They are required to be fully documented and have a return passage ticket or produce evidence of sufficient funds to reach their destination.

**HONG KONG**

All British subjects not born in the Colony require an entry permit granted by the Immigration Officer, who has power to refuse entry to undesirable immigrants, including persons without the means of subsistence or a reasonable prospect of employment.

**JAMAICA**

See under West Indies.

**KENYA**

See under East Africa.

**LEEWARD ISLANDS**

See under West Indies.

**MALTA**

British subjects (excluding members of Her Majesty’s Forces) are not allowed to enter the Island except on a temporary permit from the Immigration Officer unless—

(a) they “belong” to Malta (i.e., born in Malta, or born of Maltese-born parents, or resident for more than 7 years in Malta); and

(b) they are provided with suitable accommodation (this latter provision is temporary, due to housing shortage, and is renewable annually).

Any immigrant may be required to make a deposit of £50 if from Europe, and £100 if he belongs elsewhere.

**MAURITIUS**

The Governor in Executive Council may, by proclamation, prohibit the landing of any class or category of persons.

Persons who wish to immigrate into the Colony must obtain a provisional entry permit from the Immigration Officer prior to leaving the country where they reside. Permission will not be granted to a person likely to prejudice the inhabitants, generally, of the Colony, by engaging in certain businesses, trades, arts or callings.

Visitors are allowed to land for a stay not exceeding 6 months, provided they are properly documented and have a return passage ticket.
The Immigration Office may refuse a landing permit to any visitor who prior to leaving the country where he last resided failed to obtain a provisional permit to enter the Colony.

A cash deposit of Rs. 1,000 (£75) is required from any person entering the Colony except Government officials, visitors and persons in transit.

**Nigeria**

Under the Nigerian (Constitution) Order-in-Council, 1954, immigration into Nigeria is a subject within the exclusive legislative competence of the Federal Government. The Federal Government's powers to control immigration are contained in the Nigerian Immigration Ordinance.

Certain categories of persons are exempted including "native foreigners"—i.e., Africans not indigenous to Nigeria— as may be directed by the Governor-General. The Ordinance provides that no person to whom it applies shall enter Nigeria except on such conditions and security as may be prescribed; and the Governor-General has absolute discretion to prohibit the entry of any person who is not a native of Nigeria (in practice the powers of declaring prohibited immigrants are exercised in Council).

The categories of prohibited immigrants do not include a native of Nigeria or any "native foreigner" to whom, by direction of the Governor-General, is not to apply.

British subjects need entry permits and, if entering for the first time, must obtain prior permission. A deposit or bond equivalent to the cost of repatriation plus 25 per cent. may be required in certain cases.

**North Borneo**

See under Brunei.

**Pitcairn Island**

Prior permission to enter must be obtained from the Governor of Fiji.

**St. Helena, Ascension and Tristan da Cunha**

No one may enter St. Helena for residence or employment without a permit from the Immigration Officer, but visitors may obtain one on arrival.

No person is allowed to land on Ascension Island and remain on the Island beyond the period of the vessel's stay unless he has received a special permit signed by the Governor of St. Helena, or in case of emergency by the Resident Magistrate on Ascension. (Members of Her Majesty's Naval, Military and Civil Services and members of the staff and employees of Cable and Wireless Company Limited, their families and servants are exempt from this requirement.)

The same restrictions on leave to land apply to Tristan da Cunha as for Ascension Island.

**Sarawak**

See under Brunei.

**Seychelles**

Intending permanent residents must obtain permission and produce proof of an annual income of Rs. 3,000 (£225).

Employment Passes may be issued by the Principal Immigration Officer on application. The person must show that he is suitably qualified to undertake employment of a particular class and permits will only be issued
if no suitably qualified residents in the Colony are for the time being available for employment of such class. Permits will not exceed 4 years.

The Immigration Officer may, at his discretion, require anyone entering the Colony to make a deposit, or by bond, of up to Rs. 2,000 (£150).

**SIERRA LEONE**

Persons who wish to reside in Sierra Leone must obtain prior permission from the Principal Immigration Officer, and permission will be granted only to persons taking up employment in an approved occupation and with an approved firm or organisation. Permits for permanent residence are issued for a maximum period of 2 years in the first instance and a deposit or bond should be made by the immigrant or his employee. The intending immigrant is issued with an employment and occupational permit and cannot change his employment without permission of the Principal Immigration Officer.

Residential permits do not apply to natives of Sierra Leone or any person employed in the service of the Sierra Leone Government, which includes the wives and children of such officials.

Visitors on arrival are granted permits valid for a period of 3 months, provided they are properly documented, have onward passage tickets and sufficient funds to maintain themselves while in the Colony.

The Governor notwithstanding anything in the Immigration Ordinance has power to prohibit the entry of any person or class of person.

The Principal Immigration Officer may, at his discretion, require any person entering the Colony to make a deposit in cash or by bond in the sum of up to £200.

**SINGAPORE**

See Federation of Malaya.

**SOMALILAND**

Somaliland immigration laws prohibit British subjects who are idiots, lunatics or prostitutes from entering the Protectorate. The authorities may also exclude others who are or are likely to become paupers; who are undesirable on the grounds that they have been convicted and imprisoned in any country; who are deemed undesirable on the grounds of information officially received by the Governor; or who are shown to the Governor's satisfaction to be likely to endanger peace and security. Further, any person who has entered into an agreement to labour for hire in the Protectorate or whose passage has been paid on his behalf with a view to his entering into such an agreement must obtain a permit from the Governor before being allowed to enter into the Protectorate. And any person intending to undertake missionary or educational work in the territory must obtain permission from Her Majesty's Government in writing before being allowed to enter. Excluded from the provisions of the Immigration Ordinance are members of the Somaliland Government Service and of Her Majesty's Forces, members of the Diplomatic Corps and natives of the Protectorate who have not become British subjects.

**TANGANYIKA**

See East Africa.

**TRINIDAD AND TOBAGO**

See West Indies.

**UGANDA**

See East Africa.
WEST INDIES

The territories in the West Indies group are Barbados, Jamaica, Leeward Islands, Trinidad and Tobago and Windward Islands.

Restrictions on British subjects wishing to enter any of these territories are normally imposed under general immigration laws, but Jamaica has a specific law dealing with British subjects only. A person is held to belong to a territory if he was born there or if his parents at the time of his birth were living there; if he has been domiciled there for 2 years; or if he has been resident for at least 7 years.

In all cases British subjects not belonging to the territory concerned are normally prohibited immigrants, or can be classed as such if they come within certain categories or classes of persons.

In addition in all territories the Governor-in-Council has power to declare a British subject a prohibited immigrant if he is deemed undesirable either as one of a class on economic grounds or individually. There is no appeal for persons made the subject of a particular order. In the Windward Islands and Barbados in the last resort the Governor has absolute discretion to prohibit the entry of any British subject who does not belong there. In Trinidad the occupations which persons who enter may be allowed to pursue are restricted.

Visitors' temporary permits may be granted for short periods, but some form of security may be required. In Jamaica this is normally £30 for those from the British Caribbean, £50 for those from America, Europe or Africa and £100 from others; they may also have to prove that they have a job elsewhere, a return ticket and enough cash to maintain themselves during their stay.

British subjects held to be prohibited immigrants may have to have their fingerprints taken. All British subjects not belonging to the island concerned may have to be examined by a health officer and may have to produce their passports or certificates of entry on demand.

WINDWARD ISLANDS
See West Indies.

ZANZIBAR
See East Africa.

PART III

RESTRICTIONS ON THE ENTRY OF BRITISH SUBJECTS INTO THE REPUBLIC OF IRELAND

1. Control over persons entering the Irish Republic is exercised under the provisions of the Aliens Act, 1935. British subjects are, however, exempted from the requirements of the Act by virtue of an Order made by the Executive Council in 1935 under Section 10 (1) of the Act. This provides that British subjects and persons carrying passports of British Commonwealth countries are deemed not to be aliens.

There are therefore no restrictions on the entry of British subjects into the Irish Republic.
CABINET

THE SUPPLY OF MILITARY AIRCRAFT

NOTE BY THE MINISTER OF DEFENCE AND THE MINISTER OF SUPPLY

We circulate herewith Sections I–V of a draft White Paper on the supply of military aircraft which might be published at the same time as the statement on defence.

2. Section VI—Conclusions—will be circulated later.

9th February, 1955.
MINISTRY OF SUPPLY

The Supply of Military Aircraft

Presented by the Minister of Supply to Parliament
by Command of Her Majesty
February 1955

LONDON
HER MAJESTY'S STATIONERY OFFICE
NET

Cmd.
MINISTRY OF SUPPLY

The Supply of Military Aircraft

London

HER MAJESTY'S STATIONERY OFFICE
I. Introduction

1. Public interest in the supply of aircraft in accordance with the Defence Programme is natural. The country has the right to be assured that the best possible use is being made of the national resources and the large sums of money involved. The desire, however, of any Government to give information must be curbed by security considerations. If every technical difficulty in the development of a particular aircraft is to be publicly discussed, it is impossible to avoid giving information to potential enemies which they are most anxious to possess, both to guide their own development and to enable them to assess our strength. In this White Paper the Government have tried to give the fullest possible information consistent with the national safety.

II. Situation in 1945

2. We entered the second World War with advanced designs of aircraft ready to go into large-scale production. During the war we concentrated primarily on producing large numbers of aircraft of these types and development was mainly directed towards improved versions of existing breeds of aircraft. This policy avoided the dissipation of our resources over a large number of experimental projects and contributed to our air strength. But it meant that at the end of the war very few advanced projects were under development in this country, and we were falling behind in the science of aerodynamics, though not in the field of gas turbine engines.

3. Consequently, at the end of the war, both the Royal Navy and the Royal Air Force were, with one exception, entirely equipped with piston-engined aircraft, most of which had been in service for a number of years or were developments of well established types. The exception was the jet propelled Meteor day fighter, an early mark of which came into service in small numbers at the end of 1944.

III. 1945 to 1950

Re-equipment

4. After the war, it was considered that the likelihood of another war was not immediate. It was therefore decided not to take a major step forward in the re-equipment of the Royal Navy and the Royal Air Force with new front-line aircraft until about 1957. During the interim period the Services were to use mainly equipment of types of which they already had large quantities, together with a limited number of new types based on war-time conceptions, the development of which was continued.

5. Meanwhile in 1945-6 requirements were stated by the Services for aircraft of the performance and armament which they considered would be needed for operations about 1957. On the basis of these requirements design of the Vulcan and Victor medium bombers was started in 1947, and that of a swept-wing day fighter and a two-seat all-weather fighter in 1948. Steps were taken to provide interim bombers to cover the period until the Vulcan and Victor were available (as explained in paragraphs 12 and 13 below). But although a swept-wing Nene-engined aircraft, comparable in time and performance with the Sabre and the MIG, could have been developed, it was decided not to proceed with an interim fighter of this type.
6. The decision was also taken in 1946 that in the light of the limited knowledge then available, the risks of attempting supersonic flight in manned aircraft were unacceptably great and that our research into the problems involved should be conducted in the first place by means of air-launched models. It is easy to be wise after the event, but it is clear now that this decision seriously delayed the progress of aeronautical research in the U.K.

7. Various research aircraft however were ordered. These included several of delta form to explore the behaviour of this type of aircraft at speeds near that of sound, and two swept-wing single-seat aircraft of fighter type. In 1948 and 1949 a number of small aircraft were ordered to test in the air important features of the designs of the Victor and Vulcan.

8. The general economic and financial situation of the country was a limiting factor; in particular following devaluation in 1949 various other research aircraft for experiments in flight at speeds near that of sound were cancelled for reasons of economy.

9. This limitation also applied to the provision of basic research facilities. During the war only those immediately necessary for its prosecution had been provided. The need for extensive new facilities to deal with the problems likely to be encountered in post-war aeronautical research had been recognised before the end of the war. Plans had been made for their provision, but the execution of these was delayed, owing to the competition of other claims for capital investment and the acute shortage of steel. The result was that delivery dates for research plant were extremely long, and the necessary building and civil engineering work could only proceed slowly.

10. The overall effect of these difficulties was that during the years from 1945 to 1950 only limited new facilities were created. Total expenditure on research facilities at Ministry of Supply aeronautical research establishments during the whole five years was scarcely more than that in each of the years 1952/53 and 1953/54, and was substantially less than the cost of one supersonic wind tunnel now under construction at the National Aeronautical Establishment near Bedford.

Interim Operational Aircraft

(a) Bombers

11. The Canberra which was first projected late in 1954 was successfully developed as the first jet light bomber.

12. In 1946 when the long-term requirement for a medium range bomber was under consideration, the R.A.F. stated a requirement for an "insurance" aircraft of more orthodox design to be available as quickly as possible. Prototypes were therefore ordered of a straight wing jet-engined bomber, the S.A.4. The performance of this aircraft was to be substantially below the long-term requirement, to meet which the Victor and Vulcan were later ordered.

13. In 1947 it was decided that a further insurance should be developed in the form of an aircraft superior in performance to the S.A.4 and meeting as nearly as possible the full medium bomber requirement, but of less advanced design than the Victor and Vulcan, so that the development problems should be fewer. This was the Valiant.

14. By the end of 1949 it was thought that such good progress was being made on the Valiant that the latter would be available little if at all later than the S.A.4. In view therefore of the superior performance of the Valiant it was decided to abandon the idea of the S.A.4 as an operational aircraft.
15. The Vampire came into service in 1946. More advanced marks of the Meteor were produced, equipped for a variety of roles. They were greatly improved compared with the original Meteor and fitted with engines of nearly double the power. They provide an example of highly successful and continuous development of an established type. It is these later marks which are still in service with the R.A.F.

16. In 1948 when Berlin was being blockaded and international tension was growing, production orders for the latest mark of Meteor day fighter were more than doubled. It was also decided to develop the Venom (evolved from the Vampire with thinner wing and more powerful engine) as an interim day fighter, and to proceed with a night fighter version of the Meteor.

17. At the same time the question of ordering an operational version of one of the two swept-wing single seat research aircraft was considered. It was concluded that this could not be done in either case without delaying other projects of a more advanced nature. In 1949 this was considered again but in view of the financial crisis and consequent drive for economy, no change was made in the earlier decision. Consequently not even a prototype of an operational swept-wing fighter flew before 1951, and no prototype fully representative of the production aircraft before late 1952.

18. To sum up the position before the Korean War broke out, requirements had been stated by the Services for very advanced aircraft expected about 1957; research had been restricted by inadequate facilities and the decision about manned supersonic flights: some steps had been taken to provide interim bombers to be available before 1957: a calculated risk had been taken to have no interim swept wing fighters.

IV. Effect of the Korean War

19. In June, 1950, war broke out in Korea. In the light of the new threat of a third World War, plans for re-equipping the Services about the year 1957 had to be reviewed.

20. In the fighter field a substantial production order for the swept-wing day fighter referred to in paragraph 5 above was placed off the drawing board in October, 1950, although its first prototype did not fly until 9 months later. Several hundred more were ordered in the early months of 1951. This was later named the Hunter. It was also decided as an insurance to order off the drawing board an operational version, proposed by the makers, of a research aircraft, the S.535, which it was hoped could get into production before the Hunter; prototypes and 100 production aircraft were ordered in November, 1950, and the production order was increased by 50 early in 1951. This was later named the Swift. In the case of both the Hunter and the Swift, the production order was placed much earlier in the development phase than would normally be wise.

21. In the same way a production order for the Valiant bomber was placed early in 1951, before the first prototype had flown. At the same time it was decided to order the Sea Venom as an all-weather fighter for the Fleet Air Arm, and again a production order was placed before the first prototype had flown.

22. Clearly the decision to place these orders at this stage meant taking risks. In a sense it was asking for trouble, but on the other hand it meant that some of the latest aircraft would be available earlier and could be used in war, even if their operational performance did not completely meet the original requirement.
V. Progress 1951-1955

(a) Bombers

23. The development of the three V-bombers has proceeded steadily. Deliveries of the Valiant have started and will continue during the coming year. Development troubles have been remarkably few for an aircraft of its size and performance, and its introduction marks a major increase in our power to deter an aggressor. Although the Vulcan and Victor are of more advanced design, good progress has been made despite setbacks through accidents to prototypes of each. During the coming year both development and production will proceed with growing momentum.

24. The Canberra, which is in service in large numbers, marked a substantial advance and has proved a successful and versatile aircraft. Development of later marks of improved performance and for different roles has continued.

(b) Fighters

(i) Interim Types

25. Venom Fighter Bombers, Venom Night Fighters and Meteor Night Fighters have come into service; these aircraft are usefully filling the gap until the latest swept-wing aircraft are introduced. Although they must be regarded as interim types, they have given a worthwhile improvement in performance over the aircraft previously in service in these roles. In particular the two-seater night fighters with their airborne and ground equipment afford a defence against night attack which we believe is superior to that of any other country.

(ii) Hunter and Swift

26. In the case of the Hunter and the Swift serious development troubles were encountered. The decisions of 1950-51 to order many hundreds of these aircraft meant that while development was still in a very early stage, tooling up and other preparations were rapidly pushed ahead for production of swept-wing aircraft with a large number of new features, such as axial flow engines, power controls, heavier armament, and other more complicated equipment. All these had to be introduced and developed together. They had to be tested concurrently. Modification to one feature often meant modification to many others. This had to be done under the handicap that only a few prototypes had been ordered. A single intractable aerodynamic problem from time to time monopolised the flying time of all the available aircraft or grounded them so that all other development flying, including the flight testing of guns, radar and other equipment, had to be put back. For instance for a long time difficulty was experienced in making the Hunter air-brake slow the aircraft effectively without upsetting the pilot's aim. Meanwhile production built up rapidly, and although this enabled early production aircraft to be diverted to assist in development flying, it also meant that increasing numbers of aircraft were coming off the production line while some major features of the design were still unsatisfactory.

27. The first prototype of any Mark of Hunter flew in July 1951, the first representative prototype in November 1952. The main troubles referred to in the preceding paragraph have been largely overcome, and substantial numbers of Hunters have already been delivered to the Royal Air Force. There are still certain directions in which the Hunter's performance could be improved; on these development is proceeding. Apart from these there is a problem with the guns: the firing of the guns causes interference with the flow of air into the engine, and when this happens in the rarified atmosphere encountered at extreme altitude, it may lead to the engine stalling: this trouble, which has been experienced in other countries even
with more lightly armed aircraft, affects significantly only certain marks of Hunters. Measures already taken have effected a substantial improvement and further measures are in hand designed to eliminate the trouble entirely.

28. We believe that in the Hunter we have a fine aircraft capable of further development. Its all round performance and heavy armament mean that it compares favourably with any fighter now in general service in any other country.

29. As explained in paragraph 20, the Swift was based on a research aircraft built primarily to explore aerodynamic problems and not fitted with guns or other equipment. Subsequently in the emergency of 1950 it was decided to turn it into an operational aircraft; in addition to introducing armament and all the rest of the operational equipment required for service use, it was decided to replace the Nene engine by the larger and more powerful Avon. The resulting changes from the original design so complicated the process of development as to become the basic cause of many of the difficulties which have been encountered.

30. Production of the first mark with two guns was ordered, as has been stated, in November, 1950; the first prototype did not fly until July, 1952. The second mark with four guns, involving important changes to the wing, was ordered in March, 1951, but a 4-gun aircraft did not fly until May, 1953; this was also the first aircraft representative of the Mark 4 which was the mark for which the largest orders were placed for the R.A.F. The aerodynamic performance of all marks proved disappointing and great efforts have been made by all concerned to get the aircraft right. Meanwhile, as in the case of the Hunter, production was rapidly building up.

The following two paragraphs are subject to final decisions on the Swift.

31. [It has now been established by a series of exhaustive tests that the aerodynamic problems have not been solved, nor is it likely that the Swift can be brought in the immediate future to a standard acceptable to the Royal Air Force. In the meantime the Hunter has emerged successfully from its development. It has therefore been decided not to introduce the early marks of Swift into service, but to replace them with Hunters. Had the Hunter and the Swift been developed in the normal way, this switch would not have been costly but, as the Swift had been ordered in large numbers a considerable time ago the decision means that use cannot be made of a large amount of the materials prepared for the production line of Swifts. The increase in costs compared with the original plan will be in the neighbourhood of £XM.]

32. [It is considered that the prospects of later marks of Swifts being successfully developed for certain specialised roles are good enough to warrant the continued development of those marks which is therefore proceeding.]

(iii) Future Fighters

33. In the next financial year, substantial numbers of the Javelin all-weather delta fighter should become available. The development of the P.1 day/night interceptor, a prototype of which has already flown faster than sound in level flight, will be pressed forward. We are looking ahead to still more advanced projects.

(c) Other R.A.F. Aircraft

34. Production models of the Beverley heavy transport are coming off the line. Helicopters for a variety of tasks including the joint Army/R.A.F. Helicopter Unit will be included in the 1955 production programme. A small number of Jet Provosts will be delivered in the next financial year for evaluation as basic trainers.
35. The Royal Navy’s first jet-propelled aircraft have completed their basic development; the Sea Hawk day fighter and Sea Venom all-weather fighter have come into service, and will be delivered in increasing numbers in the coming year. Though both are interim types, their performance is far superior to that of their forerunners; on the other hand their design is not so advanced as that of the R.A.F.’s swept wing fighters, and their development troubles have, therefore, been less serious.

36. The Wyvern strike aircraft, being the world’s first military turbo-propeller aircraft, is encountering more than its fair share of development troubles, particularly in regard to the engine and propeller control system.

37. The Gannet anti-submarine aircraft has come into service; some of the principal difficulties in its development have been due more to the multiplicity of weapons and equipment to be carried than from advanced aerodynamic problems. Trouble experienced in the early days of service with the engine under certain conditions has now been eliminated, and the aircraft is a formidable submarine hunter, which will be delivered to the Navy in substantial numbers in 1955.

38. Development for the Navy of the D.H.110 all-weather fighter, and of a twin-engine swept-wing day interceptor will continue in 1955. Production orders for both types have been placed.

39. Development and production preparations for substantial numbers of helicopters for naval use in the anti-submarine, rescue and communications roles will also be pressed forward.

(d) **Armament**

40. Great emphasis has been placed upon the armament element of our new weapons systems. Our latest types of fighters are fitted with four 30 mm. Aden cannon, the most destructive gun armament in service anywhere in the world. They can deliver 10 times as much high explosive per second as the cannon of the Russian MIG.

41. The next step will be to introduce air-to-air guided weapons into our fighter defences. The progress made in developing various different types of these, employing a variety of guidance and homing techniques, is described in paragraphs [86–92] of the Statement on Defence, 1955 (Cmd. ). Production orders have been placed for one of these types.

42. To sum up, the position in 1955 must be assessed in the light of what a potential enemy may now have in service. The view that the Services are equipped with obsolete aircraft dating from the last war is totally incorrect. This country has an effective air defence against what any potential enemy is at present able to bring against us. By night, the most likely time for attack, we have a better defence than anyone else in the world. With regard to the future, during 1955 our deterrent strength will be built up with the putting into service of the Valiant bomber. Our fighter defence will be strengthened by the equipment of more squadrons with Hunters. We are developing new types of bombers, fighters and naval aircraft to deal with the expected future armament of any potential enemy. As the Royal Navy and the R.A.F. are re-equipped with this new generation of aircraft we shall have the balanced and powerful air fighting forces appropriate to our resources and our standing as a great power.
CABINET

THE SUPPLY OF MILITARY AIRCRAFT

NOTE BY THE MINISTER OF DEFENCE AND THE MINISTER OF SUPPLY

We circulate herewith Section VI—Conclusions—of our draft White Paper on the supply of military aircraft.

H. M.
S. L.

9th February, 1955.
VI.—Conclusions

43. From the experience of the last nine years set out in the earlier parts of this paper certain facts and conclusions emerge.

Research

44. In the first place an adequate programme of research and the necessary capital facilities for such a programme are vital to success. Research can be described as the process of creating scientific capital. It comprises all that work, much of it of a very theoretical and fundamental nature, which is not directed specifically to meeting immediate Service requirements. Some of it contributes to the solution of current problems, but much of it goes to build up the fund of basic knowledge needed to meet future requirements. Today's research leads, it may be said, not to tomorrow's aircraft (for they are already being developed today) but to those of the day after tomorrow.

45. In the aeronautical field much of the research is done by the experimental establishments of the Ministry of Supply and by other authorities; that done in the industry is also of great importance, and will grow in significance as the additional research facilities which the industry is itself providing, co-operatively and individually, come into use.

46. The plans for the provision of extensive and up to date experimental facilities at Ministry of Supply establishments are now maturing and great benefit will be derived from the new facilities as they come into use. The tempo of aeronautical progress is such, however, that even newer and more advanced facilities must be provided, and it must be recognised that their provision will impose a growing financial burden.

"Weapons Systems"

47. An aircraft must be treated not merely as a flying machine but as a complete "weapon system". This phrase means the combination of airframe and engine, the armament needed to enable the aircraft to strike at its target, the radio by which the pilot is guided to action or home to base, the radar with which he locates his target and aims his weapons, and all the oxygen, cooling and other equipment which ensure the safety and efficiency of the crew. Since the failure of any one link could make a weapons system ineffective, the ideal would be that complete responsibility for co-ordinating the various components of the system should rest with one individual, the designer of the aircraft. Experience elsewhere has shown that this is not possible but it is the intention to move in this direction as far as practical considerations allow.

Development

48. Even before the war development took many years; in the case of the Spitfire it started with the Schneider Trophy Races of 1927–31, which led to the reappearance of the monoplane. The specification from which the Spitfire was evolved was issued in 1935; development proceeded from 1935 and it was not until 1940 that large scale production was achieved. The success of the final production was due in no small measure to the time spent on the development process.

49. Modern aircraft are vastly more complicated; to take only one example a modern bomber needs 60 times the weight of radio and electrical equipment carried by a pre-war bomber. Clearly the development time cycle up to release to service, though it varies from aircraft to aircraft, can hardly be less than before the war.

50. The starting point of the process of development is the assessment of the defence needs of the country and the strength of a potential enemy. In
the light of this a requirement is stated by the Service Department concerned. The requirement may have to be modified to some extent to take account of the Ministry of Supply’s advice as to what it is technically reasonable to aim at in the required time scale, but the essentials of the requirement are determined by the threat which it is intended to meet. The operational requirement is then translated into a technical specification by the Ministry of Supply. The designer’s ability to achieve what is called for by the specification turns largely on the extent to which an aircraft of the performance required can be designed within the framework of the basic technical knowledge available at the time. This reinforces the vital importance of a research programme of adequate size and of the right content.

51. When the specification is issued, designs to meet it are called for from industry. These designs may involve radically different solutions of the problems posed. Those to be developed are selected on their technical merit.

52. The early phases of development involve calculations of stresses, performance, etc., initial drawing office work and the construction of models, rigs, etc. for wind tunnel and other testing. This phase overlaps design as the latter is often dependent on the results of these tests. As construction of the first aircraft proceeds, re-design and further tests are needed. Then begins testing of the aircraft—first on the ground and then in the air. Flight testing must be done progressively; a prototype is gradually subjected to more rigorous and searching tests and manoeuvres. As faults are revealed, re-design and rebuilding is required.

53. When the manufacturer is satisfied that the aircraft has reached a stage when its performance can be evaluated, it is sent to the Aeroplane and Armament Experimental Establishment of the Ministry of Supply, where it is tested and assessed by trained pilots, specially selected and seconded from the Services. If it is not acceptable, it is returned to the manufacturers for improvement. When it is finally brought to an acceptable standard, it is formally released to service. The process of testing and proving every item of a weapon’s system, however, is inevitably protracted and it is thus the normal practice for the first release to be a partial one, which is extended progressively as the tests proceed. Release to service is not the end of development, for this continues throughout the service life of the aircraft, to remedy faults and improve performance and reliability.

54. During all these processes there must be complete co-operation between the Service, the Ministry of Supply and the manufacturer.

55. Development is the most difficult, as well as the longest, stage. The difficulty increases as the growth of our basic knowledge opens up possibilities of more rapid advances in many fields. It is in development, rather than production, that the difficulties have been encountered which have recently held up the re-equipment of the Services with aircraft of the latest types.

56. These processes are difficult enough if everything goes well and plans remain unchanged. If can be readily realized how much they are complicated by changes during their course in the assessment of the war risk or of the enemy’s potential, leading in turn to changes in requirements and plans.

Production

57. When production is ordered, plans must be prepared, and materials, special components, sub-assemblies, etc., ordered from sub-contractors, who in turn have to plan and set up production. Drawings are made, jigs and tools designed and manufactured, and labour recruited.
58. The complexity of a modern aircraft affects production no less than development; a modern day fighter, for example, requires 12,000 to 15,000 production drawings compared with [6,500] for a wartime fighter. Thus it is seldom possible to get the first aircraft less than 2½–3 years from the time of ordering.

59. The early phases of production, however, must almost invariably overlap the later phases of development although these are often the most critical; otherwise the time from the formulation of a new operational requirement to the delivery of aircraft in quantity would be 12 years or more, at the end of which the original requirement might well have materially altered so that the aircraft eventually delivered might be already obsolete.

**Modifications**

60. The length of the development process gives particular point to the difficult question of modifications. There are really two classes of modifications, those which are essential and those which are desirable. Within the first class come modifications designed to bring an aircraft under development up to the required performance; these are inevitable, and any resultant delay in production has to be accepted. Modifications essential for safety also come within this class. But there is also the continuing need to incorporate during the development of later marks of the aircraft other modifications intended to extend performance beyond that originally conceived; often this arises from new assessments of the nature of the enemy threat. These are the second class of modification. With these there is a constant dilemma; on the one hand they can greatly prolong the useful life of an aircraft; on the other hand few of them can be made without major changes in design and their introduction not only absorbs design and production resources, but also causes delay. This second class of modification can, however, be introduced at some convenient point in the production process and need not necessarily delay delivery of earlier versions.

61. The objective is in the case of each mark of an aircraft to incorporate only modifications in the essential category, and to defer those which are merely desirable to a later mark of aircraft. Such decisions are not easy and require the exercise of extremely skilful judgment as to the right timing.

**Development Batch**

62. In paragraph 26 the delays caused in the past through shortage of prototypes have been mentioned. To minimise delay from this cause, it was decided over a year ago that in all appropriate future cases a development batch of a dozen or more aircraft should be ordered, instead of two or three prototypes. The delivery programme for these aircraft will be carefully planned so that the full programme of development testing can be carried out in the most expeditious manner, while the later aircraft of the batch are so phased that the lessons learned on the earlier ones can be applied to them. The production of the development batch will also be so arranged as to lead smoothly into the full-scale flow of production. The first opportunity of putting this policy into practice has been in the case of the P.1, and as was announced by the then Minister of Supply on 1st March, 1954, a development batch of 20 of this aircraft was ordered.

**"Shorter Steps"**

63. The larger the steps by which development of new types of operational aircraft proceeds, the greater the technical difficulties and the risk of failure. Had an interim swept-wing fighter been fully developed after the war as a combat aircraft, we should have known earlier of many of the problems later encountered on the Hunter and Swift. A policy of shorter steps would
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mean more frequent but shorter advances. This would not only have the advantage of easing the technical problems, but would mean that at any point in time, an up-to-date aircraft would be well advanced in development and in the event of an emergency could be put into production relatively quickly. The extent to which the Services should be re-equipped at each stage would be governed both by the assessment of the international situation and by financial considerations; to establish a technical advance, however, it is not essential to go into full production. Whilst the full consequences of a policy of shorter steps are still being examined, it appears that despite the possibility of greater expenditure on development, the overall result would be an economy of the nation's resources and an increase in its preparedness at any point.

Use of Resources Available

64. The dangers of undue dispersion of the aircraft industry's resources over too wide a variety of projects are obvious, but some measure of insurance is necessary. To take the case of the three V-bombers as an example, it has already been shown in paragraph 13 above that the Valiant is an interim type ordered as an insurance, which is entering service appreciably earlier than the Vulcan and Victor. Only the latter can fully meet the Royal Air Force's requirement, but at the time they were started both were such advanced conceptions and employed such widely differing approaches that it was a wise precaution to develop them in parallel. Similarly it has been explained how the Swift was ordered in an unforeseen crisis as an insurance.

Experience in other countries

65. The development troubles experienced in this country have been set out as fully as security allows in this paper, but it should not be thought that other countries have not also had these troubles. Even in the United States, where much more extensive facilities have been available and a more vigorous programme of research in supersonic flying was undertaken immediately after the war, development problems similar to ours have been encountered, even with such an outstandingly successful aircraft as the Sabre.

Summary

66. The experience of the last ten years leads to the following conclusions:

(a) Development and not production is the difficult stage in the supply of military aircraft; it is bound to be lengthy.

(b) A large research programme is necessary to ensure that development is on technically sound lines.

(c) The weapons system concept must govern development.

(d) An adequate number of aircraft must be available for development purposes. In other words, the development batch procedure is essential.

(e) Modifications which are not essential must be so phased into the development and production programme as not to cause delay.

(f) Owing to the rate of technical advances, it may well prove more economical in the long run to advance by shorter, though more frequent, steps.

(g) The system must permit design teams to propound different solutions to the problems posed, but this must not lead to such dispersal of effort that little of it is effective.

[(ii) There must be the closest liaison in every phase between the Service concerned, the Ministry of Supply and the manufacturers.]
PUBLIC RECORD OFFICE

Reference.

CAB 129/73

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Reference.

CAB 129/73

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It is becoming clear that the action so far planned on the basis of the Cabinet decision of last July (C.C. (54) 56th Conclusions, Minute 4) will be insufficient to maintain our position in the Antarctic against foreign encroachment. I must therefore ask my colleagues to consider this question again.

Background

2. In C. (54) 261 the Secretary of State for the Colonies and I recommended that, since the effective maintenance of our title to the whole United Kingdom sector would require a disproportionate scale of effort and expenditure, we should henceforth concentrate on making our title secure in selected areas which had some particular value. To this end we proposed an increase of activity in our sector combined with steps to strengthen our legal title by taking the dispute with the Argentine and Chilean Governments to the International Court of Justice, unless they agreed to arbitration. The Cabinet approved these proposals in principle.

3. We still await a final reply from the Argentine and Chilean Governments to our offer of arbitration, but it is very doubtful whether either will accept it and we expect to proceed with our application to the International Court of Justice this month. This will be a useful exercise, but is unlikely to deter the intruders, unless accompanied by convincing evidence that we intend to consolidate our position in the field.

4. The decision to increase United Kingdom activities has led to the following action:

(i) tenders have been invited for a new supply ship to be ready in October 1956. The Chancellor of the Exchequer has agreed the necessary capital provision of about £450,000. (The John Biscoe will be withdrawn when the new ship goes into service);

(ii) a support ship has been hired for the current season and it is hoped to purchase this or a similar ship at about £100,000;

(iii) the support ship is now on its way to Antarctica to establish the two further bases recommended at Anvers Island (copper deposits investigation) and Marguerite Bay;

(iv) Her Majesty's Government have decided to make a contribution of £100,000 to the British trans-Polar journey planned for next season.

No provision has yet been made for increasing the range or mobility of the very limited naval force which supports the Falkland Islands Dependencies: we have no icebreakers and no aircraft in the Antarctic; and the frigate which we keep there during the open season can only operate safely on the fringes of our sector, since she is not adapted for Antarctic ice conditions. Nor are funds available for large-scale survey work.
Foreign Penetration

5. Meanwhile the Argentines are forging ahead. This season they have acquired an icebreaker and have increased their aircraft in the Antarctic from 9 to 13, including 3 helicopters. Last month they established yet another permanent base in our sector beyond our present reach (at the foot of the Weddell Sea within 800 miles of the South Pole); and they have already occupied at least 6 more huts in the northern part of our sector. They are well equipped for survey and exploration work, and it is clear that they intend increasingly to strike out from their bases into the unexplored land mass. The Chileans are also becoming more active, and the United States are now planning to go into the Antarctic on a large scale.

6. Unless our own effort is substantially increased, we cannot hope to maintain our position in the Antarctic even to the limited extent envisaged by the Cabinet last July.

Proposed Counter-measures

7. We must face the fact that, unless we adopt a more virile policy in the Antarctic, we shall inexorably be edged out of our sector by Argentines, Chileans and even Americans. To have any chance of maintaining our position there, two things seem to me necessary. First, we should devote resources to the more systematic exploration and survey of our sector, so as to find out quickly what is most worth keeping, assuming that we cannot afford to regain and hold the whole of it. Second, we should ensure that we have sufficient force available in the Antarctic to support these activities. We also need machinery to promote and co-ordinate the necessary action under the direction of the Cabinet.

Naval Support

8. It would be disproportionately expensive to maintain a force strong enough to evict the Argentines from all their bases and keep them out. But we ought to be in a position to send an armed party to any inhabited part of our sector without undue risk, so as to show the flag at British bases or take forcible action against intruders when Her Majesty’s Government consider this desirable in any particular case. We could not get a warship to every inhabited part of our sector even if existing ships were strengthened against ice. Nevertheless, as an interim measure, the presence of a strengthened frigate would make naval operations on the present scale in the area less hazardous and would increase our freedom of action. To maintain one frigate in the Antarctic during the southern summer would, I understand, cost up to £200,000. The necessary modifications would have to be carried out at the expense of other Dockyard work.

9. No existing naval vessel is of suitable construction for operations in ice. Even a strengthened frigate, while it would increase the support at present given, cannot be regarded as adequate mainly because of its thin skin, hull form and shallow draught. If we are to be able to penetrate to any inhabited part of our sector, an icebreaker would be required. This ship could either be civilian manned (with obvious limitations on its powers of intervention against armed force) or, if she is to be an armed vessel, specially built and manned by the Royal Navy. This would be an additional capital commitment for the Admiralty of up to £2 millions; and the man-power for her would have to be found at the expense of some existing commitment. An icebreaker can be designed to carry a helicopter.

Future Activities

10. The activities so far put in hand will be valuable, but they will not suffice of themselves to achieve our end. We shall need to undertake further exploration and continue the build up of bases. It is also important to discover more about the mineral and other potentialities of our sector, so as to know where it will be most profitable to concentrate our effort. The proposal in C (54) 261 for a civilian air survey to be accompanied by a ground survey of selected areas was made with this purpose in mind. A decision on this is urgent if a start is to be made next season.

11. Hitherto we have tended to judge these various proposals each on its own merits, and funds have had to be sought separately for each new commitment. I suggest that it would be more satisfactory to draw up a detailed and comprehensive plan of Antarctic activity during, say, the next five years and to fix the limit for
expenditure over this period. The plan (and the limit) would have to include additional naval support, extension of the work of the Falkland Islands Dependencies Survey and whatever further activities are judged most effective for achieving the systematic exploration and survey of the sector.

Machinery

12. If the foregoing is approved, I consider that there would be advantage in establishing a Committee of Ministers and entrusting them with the preparation and supervision of the five-year plan. The Treasury, the Foreign Office, the Lord President's Office, the Commonwealth Relations Office, the Colonial Office, the Admiralty, and the Air Ministry would need to be represented on the Committee.

Action this Season

13. The effect of the new programme would not begin to be felt before next season. During the remaining weeks of the current season I think that we should be well advised to avoid using force against the Argentines or Chileans unless they commit some provocative act. Apart from the risk of retaliation against British bases out of our frigate's reach, it might prejudice our application to the International Court of Justice if we were to resort to force immediately before making it—and we cannot do so while the application is before the Court.

Recommendations

14. I invite my colleagues to agree to the following:

(i) We should extend and intensify our exploration and survey of the United Kingdom sector with the object of both strengthening our title by a show of increased activity and ascertaining the area in which it will be most profitable to concentrate our future effort.

(ii) We should build up our naval strength in the Antarctic to the extent necessary to support these activities.

(iii) Approval in principle should be given to the preparation of a five-year plan to cover (i) and (ii) above and to the acceptance of a limit for expenditure under the plan.

(iv) An Antarctic Committee should be established to prepare the details of the plan, with estimates of expenditure, and make initial recommendations to the Cabinet within one month. Its terms of reference should be agreed between the Ministers concerned.

A. E.

Foreign Office, S.W.1.
9th February, 1955.
A grave position has arisen affecting the Swift single-seat fighter under construction by Vickers Supermarine.

2. Seven marks of Swift were ordered. The Swift 1 and 2 are completed and have been delivered, 35 in all; the role of the remaining marks of Swift and the number at present on order are as follows:

<table>
<thead>
<tr>
<th>Mark</th>
<th>Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Intercepter Fighter</td>
<td>25</td>
</tr>
<tr>
<td>4</td>
<td>Intercepter Fighter</td>
<td>269</td>
</tr>
<tr>
<td>5</td>
<td>Fighter Reconnaissance</td>
<td>81</td>
</tr>
<tr>
<td>6</td>
<td>Photographic Reconnaissance</td>
<td>32</td>
</tr>
<tr>
<td>7</td>
<td>Fighter Carrying air-to-air guided missiles</td>
<td>50</td>
</tr>
</tbody>
</table>

3. There have been continuing technical troubles with the Swift since the first aircraft flew and the task of rectifying these defects within a reasonable period of time has been made much more difficult by the lack of an adequate number of prototypes. Many modifications have been incorporated. No less than 11 different types of tail have been tried, and 250 hours flying, which is a wholly exceptional figure, have been undertaken at the Ministry of Supply Establishment at Boscombe Down in an effort to give the aeroplane a satisfactory clearance.

4. Despite all this effort, tests recently undertaken on the Mark 3 at Boscombe Down and at the Central Fighter Establishment have shown that it is quite unacceptable to the Royal Air Force as a fighter aircraft. The governing reason for this is the lack of elevator control at high speed and high altitude which is so serious that the pilot is unable to control his aircraft. This means that formation flying would be impossible and air fighting dangerous because at the high speeds which are necessary in attacks on bombers, aircraft could not be pulled out of a dive and collision with the target would become unavoidable. Additionally, under operational conditions and techniques, the fuel consumption during take-off, climb and combat is so high that the endurance of the aircraft is unacceptable to the R.A.F. The firm, on the other hand, has reserved its position on the question of endurance and maintains that the aircraft meets the specification to which it has been built.

5. As regards the Mark 4 we are advised that the improvements as compared with the Mark 3 are marginal and that the Mark 4 will not be acceptable any more than the Mark 3 as an operational aircraft. The firm
however have said that in their opinion the Mark 4 may be somewhat better than we at present think and as a fully modified aircraft is now available for testing we have agreed that it should be tested very urgently at Boscombe Down. We hope to have the result by the middle of the week. In our opinion, however, we must lay our plans on the assumption that the Mark 4 will have no value as an operational aircraft for the R.A.F.

6. The Swift Mark 6 whose role is photographic reconnaissance would be required to operate at the same heights as the fighter Mark 4 and it is clear that it would have the same defects, particularly as regards endurance, as the Mark 4. We must, therefore, assume that the Mark 6 also will be unacceptable to the R.A.F.

7. This leaves the Mark 5 (fighter reconnaissance) and the Mark 7, which is the only fighter designed to carry Blue Sky, our first air-to-air guided weapon. The Mark 5 as a fighter reconnaissance aircraft will not be required to fly at the same heights as the Marks 3, 4 and 5 and it is possible that it may be found acceptable for the R.A.F. As regards the Mark 7, Blue Sky will not be available for use by the R.A.F. for another 18 months which gives us that period of time to get the Mark 7 right. This assumes that authority is given for an immediate order for Blue Sky. Moreover, Blue Sky was designed as a weapon to attack enemy bombers of the type of the TU4 flying at about 35,000 ft. and it is at this height that it gives its optimum performance. Operating at this height, the Swift is less subject to the defects which are encountered at greater altitudes.

8. We have discussed with the firm the industrial and financial consequences on the basis that there is no operational requirement for the Mark 3, the Mark 4 or the Mark 6 and that our commitments on the Marks 5 and 7 would be reduced. All Mark 3s (25 in all) have been built and, although some of them await final modification, we have no alternative but to accept them in their present state.

9. As regards the Mark 4, the firm say that 28 aircraft are so far completed that there is no alternative but to finish them and that for industrial reasons it is necessary to complete a further 12 Mark 4s, making 40 in all, before they could change over to Mark 5s and 7s. In addition to the completion of 40 Mark 4s the firm consider the minimum continuing order which would enable Supermarines to survive as a viable unit is 50 Mark 5s, and 30 Mark 7s. An order of this size would enable them to keep the nucleus of an organisation together and to preserve a lead in to the new naval fighter, the N.113. In view of the uncertainty about the Marks 5 and 7, our Departments are jointly considering whether a fighter reconnaissance and a Blue Sky version of the Hunter could be developed instead.

10. On the financial side it appears that, if all work was cancelled immediately, the sum to be paid by the Government covering the cost of work done but not completed and of closing down the contract would be £21 millions. If, on the other hand, 40 Mark 4s, 50 Mark 5s, and 30 Mark 7s were left on order and completed the bill to be met by the Government, including the cost of finishing off these aircraft, would be £24.5 millions.

11. The question of the disposal of 40 Mark 4s if left on order raises issues of great difficulty, apart from the uncertainties about the Marks 5 and 7.
12. So far as the R.A.F. is concerned, if no more Swifts are delivered to them they would be obliged to make good the deficiency thus created, to order additionally 376 Hunters and 17 Canberras (the latter in lieu of the Mark 6 Swift). It is estimated that the cost of these would be of the order of £35 millions, to which should be added the £21 millions to be paid on the Swift contracts, i.e. a total of £56 millions.

13. If, on the other hand, the Royal Air Force found it possible to accept Marks 5 and 7, the substitution bill would be reduced from £35 millions to £29 millions, to which would be added £24.5 millions payable for the Swifts, a total of £53.5 millions.

14. These two figures, of £56 millions on the one hand and £53.5 millions on the other, compare with a figure of £45 millions on Swifts Marks 3-7 if the Swift programme were completed.

15. In addition, about £10 millions has already been spent by the Air Ministry on Marks 1 and 2 which will have to be withdrawn from the R.A.F., and on engines and spares. If the Marks 5 and 7 prove acceptable, about £2.5 millions worth of these engines and spares will be of use.

16. If the Marks 5 and 7 prove unacceptable and it becomes necessary to develop fighter reconnaissance and Blue Sky versions of the Hunter, there will be additional expenditure on research and development, the cost of which cannot as yet be estimated.

17. Whether or not the Marks 5 and 7 Swifts are proceeded with, the Air Ministry now expect to spend some millions less in 1955/56 on aircraft than they have assumed in drawing up the Air Estimates, with a corresponding increase of expenditure in the two later years, when the level of Air Votes would in any case have risen.

18. It will be possible to minimise the effect of the Swift cancellation on the fighting efficiency of the front line of the R.A.F. by drawing substantially on our Hunter reserves. Assuming we do this, it will still be necessary to retain the Meteor in Fighter Command for a few months after the last squadrons would otherwise have been re-equipped, and to prolong by six months the life of the Venom in the 2nd T.A.F.

19. We recommend that, unless more favourable news is available from Boscombe Down when this memorandum is considered -

(i) the order for the Mark 4 should be limited to a total of 40, and the order for the Mark 6 cancelled;

(ii) the order for the Mark 5 should be reduced to 50 and for the Mark 7 to 30, on the understanding that a further decision as to the continuance of these reduced orders will be taken as soon as possible.

20. The Minister of Defence agrees with these recommendations.

9th February, 1955.
C. (55) 38
11th February, 1955

CONFIDENTIAL

CABINET

FORMOSA

NOTE BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

I circulate for the information of my colleagues a note on the juridical aspects of the Formosa situation in accordance with a suggestion made at the meeting of the Cabinet on 31st January (C.C. (55) 8th Conclusion, Minute 2).

A. E.

Foreign Office, S.W. 1.,
10th February, 1955.

JURIDICAL ASPECTS OF THE FORMOSA SITUATION

Formosa and the Pescadores

1. Formosa and the Pescadores were ceded to Japan by China in the Peace Treaty of Shimonoseki of 1895. The validity of this cession can hardly be contested. The Cairo Declaration of December, 1943, with its reference to Formosa as one of the territories which Japan had "stolen from the Chinese" was a retrospective moral condemnation of an international transaction which, at the time and long afterwards, was never questioned as being in any way contrary to international law.

2. In the Cairo Declaration, the Allies stated that it was their purpose "that all the territories which Japan has stolen from China, such as . . . Formosa and the Pescadores shall be restored to the Republic of China . . . ." This declaration was simply a statement of intention that Formosa should be retroceded to China after the war. This retrocession has in fact never taken place because of the difficulties arising from the existence of two entities claiming to represent China and the differences among the Powers as to the status of these two entities. The Potsdam Declaration of July, 1945, laid down as one of the conditions for the Japanese Peace Treaty that the terms of the Cairo Declaration should be carried out. In September, 1945, the administration of Formosa was taken over from the Japanese by Chinese forces pursuant to the Japanese Instrument of Surrender and General Order No. 1 issued by the Japanese Government at the direction of the Supreme Commander for the Allied Powers, dated September 2, 1945. But this was not a cession nor did it in itself involve any change of sovereignty. The arrangements made with Chiang Kai-shek put him there on a basis of military occupancy, responsible to the whole body of the Allies, pending a peace treaty with Japan or, if the status of Formosa was not finally settled by that treaty (which it was not), then pending an eventual settlement about Formosa—which has not yet taken place. The arrangements did not of themselves constitute the territory Chinese. In the Japanese Peace Treaty of April, 1952, Japan formally renounced all right, title and claim to Formosa and the Pescadores, but again this did not operate as a transfer to Chinese sovereignty, whether to the Chinese People's
Republic or to the Chinese Nationalist authorities. It has been suggested that the Japanese Peace Treaty meant that the parties to the Peace Treaty, other than Japan, had become co-sovereigns of Formosa. This seems doubtful. The Peace Treaty merely removed Japan’s title without making any alterations in the existing arrangements for its administration.

3. Formosa and the Pescadores are, therefore, in the view of Her Majesty’s Government, territory the de jure sovereignty over which is uncertain or undetermined. In the meantime, Her Majesty’s Government do in practice recognise the Chinese Nationalists as the authority administering Formosa; but they do not recognise them as the de facto government of Formosa, whether as part of China or on any other basis, since they do not regard Formosa, as such, as constituting a separate State.

4. The logical corollary of our view as to the basis on which the Chinese Nationalists occupy Formosa is that although they are entitled to be in Formosa, they exercise a limited authority there. As we do not recognise the Nationalists as the Government of China, they are not, in our view, entitled to use Formosa for trying to get back into the mainland of China. Their powers in respect of Formosa are, or should be, strictly confined to administering Formosa itself and not using it as a base for outside activities.

5. On the future of Formosa, Mr. Morrison when Foreign Secretary in the late Labour Government, took the line in the House of Commons on May 11, 1951, that it had now become “an international problem in which a number of nations apart from those signatory to the Cairo and Potsdam Declarations are closely concerned” and which could usefully be considered by the United Nations at the appropriate time. The Prime Minister said in the House of Commons on February 1 of this year that “the problem of Formosa [had] become an international problem in which a number of other nations are closely concerned.”

The Coastal Islands

6. The Nationalist-held islands in close proximity to the China coast are in a different category from Formosa and the Pescadores, since they are undoubtedly Chinese territory and therefore, in our view, part of the territory over which the People’s Republic of China is entitled to exercise authority. Any attempt by the Government of the People’s Republic of China, however, actually to assert its authority over these islands by force would, in the circumstances peculiar to the case, give rise to a situation endangering peace and security, which is properly a matter of international concern.

7th February, 1955.
CONFIDENTIAL
C. (55) 39
12th February, 1955

CABINET

TRANSATLANTIC TELEGRAPH CABLE

MEMORANDUM BY THE POSTMASTER GENERAL

The Commercial Cable Company of America (C.C.C.) want to lay a new transatlantic telegraph cable following the route U.S.A., Nova Scotia, Newfoundland, Greenland, Iceland, Scotland. The cable would give 120 telegraph circuits. It would cost them about $25 millions of which about $17 millions would be spent in this country on cable and repeaters.

2. The probable but undisclosed object of the proposal is to put the C.C.C. in a dominant position as regards transatlantic telegraph traffic in relation to other American external telegraph carriers and to ourselves. The United States Chiefs of Staff have, however, expressed the opinion that the cable has a definite potential strategic value; our own Chiefs of Staff have endorsed this view and undertaken that account will be taken of it. There is no backing from the North Atlantic Treaty Organisation.

3. There are already telegraph cables between this country and the U.S.A. which are owned, and worked at both ends, by two American companies, one of which is the C.C.C.; the licences of these companies to operate here are time-expired. We have limited cable capacity to Canada, but none to the U.S.A. In collaboration with the American Telephone and Telegraph Company and the Canadians we are putting in a new transatlantic telephone cable which should be working by the end of next year. Although primarily a telephone cable this will also give us more telegraph channels to Canada and, if the United States Government would agree, some to the U.S.A. also. Any chance of using the new telephone cable for telegraphs to the U.S.A. would be lost if the proposed C.C.C. cable were laid.

4. Our present telegraph service to the U.S.A. is by radio which is not really competitive with the American cable system. It is partly because we cannot as yet give such good service, and partly for political reasons, that we have not terminated the time-expired licences of the American companies to operate here. The political reasons are likely to be valid for some time, but clearly we do not want to strengthen the position of the foreign companies. The proposed telegraph cable would do just that for the C.C.C. We should lose any opportunity to negotiate for a greater share of the transatlantic telegraph traffic. We should have to continue to rely on radio, or to lease American owned circuits, and might even be finally forced right out of the U.S.A. telegraph business. We should imperil our present small profit on this service and forgo the possibility of earning a net annual profit for the sterling area as a whole of about £1½ million. This would be forthcoming if the American carriers ceased their operations in the United Kingdom and we had a half share with the Americans in a modern transatlantic telegraph system such as could be provided over our telephone cable.

5. We have to consult our Commonwealth Partners in the Commonwealth Communication System before granting any new concessions and they are not
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*The Coastal Islands*

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*7th February, 1955.*
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2. The probable but undisclosed object of the proposal is to put the C.C.C. in a dominant position as regards transatlantic telegraph traffic in relation to other American external telegraph carriers and to ourselves. The United States Chiefs of Staff have, however, expressed the opinion that the cable has a definite potential strategic value; our own Chiefs of Staff have endorsed this view and undertaken that account will be taken of it. There is no backing from the North Atlantic Treaty Organisation.

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5. We have to consult our Commonwealth Partners in the Commonwealth Communication System before granting any new concessions and they are not
likely to react very favourably to the C.C.C. proposal. The Canadian Government have not yet replied formally to the proposal, but I understand that they will only countenance the cable if limited to defence and commercial use by Canada only.

6. Iceland has no commercial need for the cable. Denmark is unlikely to agree except on conditions unacceptable to the C.C.C.

7. Apart from the defence aspect, therefore, there is a clear case for rejecting the proposal. But before doing this we must test the defence requirement and I seek my colleagues' agreement to the following message being sent to the United States Government; the Canadian Government have no objection to such a message being sent.

"Proposals have been put to Her Majesty's Government for a cable system between the United States, Canada, Greenland, Iceland and the United Kingdom which, it is understood, would provide for defence needs. Her Majesty's Government have, of course, no desire to stand in the way of the provision of a new cable if it is essential to defence, but the proposal, as put to Her Majesty's Government, incorporates advance under-writing by the American Government of a substantial part of the commercial risks of a private venture which, for the rest, depends upon the diversion of traffic from the existing facilities in a competitive situation which is already very favourable to the American companies. Her Majesty's Government regret, that in these circumstances, they cannot as at present advised see their way to permitting the projected cable to be used for purposes other than defence. Before informing the Commercial Cable Company accordingly they would be glad to have any further observations that the American Government may wish to offer."

D.

CABINET

REVIEW OF THE GENERAL AGREEMENT
ON TARIFFS AND TRADE

Memorandum by the President of the Board of Trade

The General Agreement on Tariffs and Trade (G.A.T.T.) negotiations are reaching their concluding stages at Geneva. An important consideration at this stage is to preserve the highest possible degree of Commonwealth agreement. It looks as though the G.A.T.T. is likely to emerge from these negotiations in a form not markedly different from the existing Agreement. The G.A.T.T. rules will certainly not be tightened to the extent which the Government originally wished us to achieve. On the other hand the fact that the rules will not be much tighter will not necessarily make the Agreement any harder to defend.

2. The problems, as well as the advantages, of the rules affecting tariffs, quotas and exports which arise for us under the existing G.A.T.T., and which I have placed before the Cabinet on a number of occasions, will remain substantially unchanged under any new agreement which is likely to be reached.

3. There are four points on which I consider we should try to achieve a satisfactory conclusion in these final stages of the negotiations.

(i) A provision described below which will give us some flexibility in relation to the Colonies.

(ii) Equal rights with other European countries to continue existing quota restrictions to protect particularly difficult items for a period after balance of payments difficulties have ended; and the right to maintain existing discrimination in these quotas.

(iii) Agreement by the United States that the general arrangements relating to their waiver permitting agricultural quotas shall be subject to review in 1960, or earlier.

(iv) Inclusion in the record of the G.A.T.T. review of any statement necessary to enable Ministers to say that in the last resort general discrimination against a scarce currency could be authorised under the waiver procedure, to prevent a general downward tendency of trade.

-1-
4. I consider it essential in presenting the revised Agreement to Parliament that we should announce the Government's intention to seek legislative powers to use countervailing duties and anti-dumping duties so as to protect our industry and agriculture against unfair competition from abroad. This was agreed in principle by the Economic Policy Committee on 4th February (E.A. (55) 4th Meeting, Minute 3) and I hope that the Cabinet will now endorse this decision. There are some quite complex problems involved in this and I shall be submitting to the Economic Policy Committee in due course a memorandum dealing with the consultations I have had with industry, the scope of the legislation, and the timing of any announcement.

The Colonial Position

5. The Chancellor of the Exchequer said at Blackpool "We propose to fight for adjustments to meet the special needs of the Colonies". I said at Geneva that certain Colonial problems arose where a developing industry depended not on selling in the limited domestic market of the territory, but on exporting the product to the metropolitan country, and that "we would wish to seek arrangements within the framework of the G.A.T.T. to deal with these needs individually as they arise".

6. All of us would like a provision which goes even further than these statements. We would like to be completely rid of the no-new-preference rule in so far as the Colonies are concerned. Unfortunately such an amendment to the G.A.T.T. would cut directly across Article I of the Agreement and would require unanimity if it was to be carried. We have discussed such an amendment with other countries including members of the Commonwealth and my advice is that there is no chance of carrying it. To put it to the vote knowing that we would fail would in my judgment substantially increase the political difficulties of defending the G.A.T.T. before Parliament.

7. Instead I propose that we should seek a waiver in the terms summarised in the Annex to this paper. This should help us. We should have secured freedom, subject to certain procedures, to take action to assist Colonial exports to our own market by quotas or countervailing duties against imports from other suppliers. International acceptance of the waiver in the G.A.T.T. would have presentational advantages at home and in the Colonies. Its existence would also strengthen our hands for rejecting protests from other countries whose trade was injured by export subsidies on Colonial products exported to our market. Even in relation to preferences it would have some presentational value, for it would to some extent prepare the way for getting individual waivers to permit preferences on particular products. I propose also that in the drafting of any waiver permitting us to retain protective quotas (see paragraph 9 below) we should make it clear that we require freedom to retain such quotas in the interest of the Colonies.

8. In addition, the Colonial Secretary and I are examining with the Chancellor what immediate action could be taken on some of the more pressing Colonial problems such as bananas, citrus fruits and cigars.

Protective Quotas and the American Waiver

9. The Americans will probably get a waiver unlimited in time which will enable them to impose protective quotas on those agricultural products which they price support subject to strict rules about consultation. We and Europe look like getting a waiver which will allow us to retain our
quotas on the more sensitive items, agricultural or otherwise, up till 1960. A waiver on the American pattern would be of no value to us because it would be limited to products which are price supported in a manner which attracts abnormal imports (it would not cover, e.g., apples). It would also certainly have to be non-discriminatory, i.e., we should have to impose quotas against the Commonwealth - to whom, in any case, a waiver for other countries on the American pattern would be most repugnant. In these circumstances, I recommend that we should demand equal rights with Europe and seek with Commonwealth support to ensure that the general arrangements for the American waiver are subject to review in 1960 or earlier.

I personally believe that it would be in our interest to have the right to maintain existing discrimination in these protective quota arrangements, and that this should be our objective. I should warn my colleagues, however, that not only will this be opposed by Canada, who will be hit by the United States, European and United Kingdom waivers, but it may also be opposed by some sterling Commonwealth countries who fear discrimination against them by Germany. In addition, the attitude of the European countries is uncertain.

**Discrimination Against a Scarce Currency**

We must be able to satisfy Parliament that if the dollar becomes generally scarce the G.A.T.T. would not prevent the Contracting Parties from organising discrimination against the dollar. There is provision in the International Monetary Fund Agreement for authorisation of discrimination after a finding of general scarcity but the public are well aware of the importance of the United States weighted vote and the possibility of its use to block such authorisation. In such circumstances we might still be able to rally sufficient support among Contracting Parties to secure waivers under the G.A.T.T. so as to allow of discrimination and we must ensure that the record includes some statement which will enable Ministers to say (with assurance) that in the last resort general discrimination against a scarce currency could if necessary be authorised under the waiver procedure to prevent a general downwards trend in trade. On this, the Chancellor and I have concerted with Mr. Menzies in order to preserve a common front at Geneva.

**Conclusion**

I consider that we have a good chance of getting in substance our requirements on the points mentioned in paragraph 3 above. Our negotiators are well aware of the political difficulties involved in presenting the G.A.T.T. to Parliament. It is already quite clear that governments will need to consider the Agreement as a whole before deciding whether they can recommend it to their Parliaments and our Delegation should be told to make it plain that the outcome of the negotiations on these four points will be of decisive significance for Her Majesty's Government in this respect. The chances of securing acceptance of our requirements will be greatly improved if our Delegation can say that we should be prepared to recommend the revised Agreement to Parliament, if our requirements on these four points are met. I recommend that we should now give this authority to our Delegation.

On the other hand there is no need at this stage to make any of the points breaking points; as the negotiations proceed through this crucial stage we shall have to take further decisions on these questions and to decide
whether to authorise our Delegation to accept the texts of the protocol of amendments and of the agreement on organisation.

P.T.

Board of Trade, S.W.1.

11th February, 1955

ANNEX

SUMMARY OF PROPOSED COLONIAL WAIVER

Subject to the conditions set out below, the waiver would permit the United Kingdom to accord to exporting Colonial industries facilities not otherwise compatible with the G.A.T.T. provided that these are similar to facilities which may be accorded, consistently with the Agreement, to domestic industries of the United Kingdom itself.

The conditions are:

(a) Prior notification before action is taken;

(b) consultation with the Contracting Parties if requested within thirty days;

(c) if consultation is requested, no action for ninety days from the date of the notification unless the consultation results in earlier concurrence;

(d) no increase of a preference without specific approval under the standard waiver procedure of Article XXV;

(e) action only to be taken if designed solely to benefit the Colonies;

(f) all action taken to be reviewed annually by the Contracting Parties.
CABINET

ASSOCIATION OF MEMBERS OF PARLIAMENT WITH THE NORTH ATLANTIC TREATY ORGANISATION

MEMORANDUM BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

I circulate for the information of my colleagues the text of a resolution recently adopted by the Canadian N.A.T.O. Parliamentary Association. This Association was founded by a group of Canadian Members of Parliament, including the Government Leader of the Senate, and we understand that they are in touch with Members of the United States Congress.

2. The resolution proposes a joint meeting of Members of Parliament from the N.A.T.O. countries to be held at the N.A.T.O. Headquarters in Paris next July. The agenda suggested for the meeting is given in paragraph (2) of the resolution, the principal point being the establishment of a North Atlantic Parliamentary Assembly.

3. A copy of the resolution has been sent to Lord Ismay with a request that facilities for the meeting be provided at the Palais de Chaillot. Before deciding on a reply Lord Ismay intends to consult the North Atlantic Council.

4. United Kingdom policy on the association of Members of Parliament with N.A.T.O. has been based on the Cabinet decision of 24th November, 1953 (C.C. (53) 70th Conclusions, Minute 4). It was then agreed that we should not favour the establishment of a parliamentary body as a part of N.A.T.O.; we should, however, support efforts to form an international association of voluntary and non-official bodies in the N.A.T.O. countries. These efforts have now borne fruit in the recent establishment of the Atlantic Treaty Association, largely on the initiative of the British Atlantic Committee. The Cabinet also agreed that we should encourage Members of Parliament of N.A.T.O. countries to meet together and develop an informal association. The Norwegian Parliament is in fact trying to arrange a joint visit to N.A.T.O. Headquarters of Members of Parliament from a number of N.A.T.O. countries, including the United Kingdom and Canada, this spring.

5. The Canadian resolution clearly has implications which should be studied by the N.A.T.O. Governments, and before a decision is reached we should have, in particular, the views of the Canadian and United States Governments. There would be advantage in associating Members of the Canadian Parliament and the United States Congress more closely with the work of N.A.T.O. and a joint meeting which they would attend with Members of Parliament from other N.A.T.O. countries has therefore much to commend it. I still feel, however, that a Parliamentary Atlantic Assembly is, at best, premature and I am not satisfied that in any of the proposals so far made sufficient thought has been given to the role of such an Assembly or to its composition, powers and functions. It would not be helpful if the main purpose of the meeting proposed by the Canadian Association were to put pressure on the Governments to establish such an Assembly. We shall therefore try to ensure that if the meeting is to take place the agenda will be much more general than that suggested in the Canadian resolution.
6. The United Kingdom Permanent Representative to the North Atlantic Council has been instructed to speak on these lines when the matter comes up for discussion. I think that our views will be shared by many of the other N.A.T.O. Governments.

Foreign Office, S.W. 1,
14th February, 1955.

RESOLUTION BY CANADIAN N.A.T.O. PARLIAMENTARY ASSOCIATION

WHEREAS, The Canadian N.A.T.O. Parliamentary Association communicated with interested legislators in all N.A.T.O. countries a year ago expressing our desire to meet them to discuss common problems of political, economic and military significance, and WHEREAS, The rapid development of world events, further emphasizes the urgent importance of a greater appreciation on the part of interested legislators, and the public generally, of N.A.T.O.’s accomplishments, problems and potentialities:

THEREFORE BE IT RESOLVED,

That the Canadian N.A.T.O. Parliamentary Association in annual meeting assembled, direct the President of the Association again to communicate with interested legislators in N.A.T.O. countries, making the following definite proposals:

(1) That on July 18th, 1955, or some other mutually agreeable date, representative groups of interested legislators arrange to meet at the N.A.T.O. headquarters in Paris. The size of the delegations should be determined by the respective countries themselves, but having regard to the physical and other limitations, we suggest that they range in numbers from 5 to 25. In view of the possibility that by that date Western Germany may have become a member of N.A.T.O., we direct the President to communicate with interested parliamentarians in that country as well.

(2) That the agenda of the proposed meeting should include the following topics for discussion:

(a) The following resolution of the Canadian Parliamentary N.A.T.O. Association, namely:

"Be it resolved that we, legislators of countries that are members of N.A.T.O. respectfully urge our respective Parliaments that the necessary steps be taken to create a North Atlantic Assembly of legislators, to meet at regular intervals, during such period as the North Atlantic Treaty remains in full force and effect."

(b) The progress that has been made in implementing the articles of the North Atlantic Treaty, particularly as respects Article 2.

(c) The effectiveness of civil or parliamentary control over the armed forces allocated to the Supreme N.A.T.O. Commander.

(d) The steps that are being taken by the Council to inform the people of the N.A.T.O. countries as to the purpose and progress of N.A.T.O.

(3) That a copy of this resolution be forwarded to the Secretary-General of N.A.T.O. for his information, coupled with a request that he give us the benefit of his judgment re the suitability of the date suggested, and as to the technical and physical factors involved in the proposal.
CABINET

LANCASHIRE

MEMORANDUM BY THE PRESIDENT OF THE BOARD OF TRADE

This paper is about Lancashire. A number of economic and political problems centre in that county. It may help my colleagues if I set them out and my reflections on them.

2. Statistics show that Lancashire is not predominantly a textile county since only 14 per cent. of the labour force works within that industry. But if we relied upon such figures they would play us false. The dominant interest remains textiles, and many towns are largely dependent upon this industry alone. Other industries can and do absorb textile workers over a period and particularly in the buoyant industrial conditions which exist to-day. Lancashire industry as a whole is thriving, but if textiles slump a large part of Lancashire slumps too. Such an event could not be devoid of all political significance.

3. How do textiles stand to-day? By many of the recognised indices the Lancashire textile industry is fairly flourishing. Production of yarn and cloth is still very high. On paper there are nearly four labour vacancies in cotton weaving and spinning for every unemployed textile worker. In spite of the clamour about imported cloth, Lancashire has retained well over 90 per cent. of the home market for cotton and rayon cloth; in the case of yarn its share is well over 95 per cent. Taken all round 1954 was a good year for textiles. High employment, good earnings and good profits matched each other to spread prosperity within the county.

4. Unfortunately there is another side to the picture. For eighteen months now the industry has been warning me that trouble lies around the corner. One day they may be right and I feel bound to warn my colleagues that there are indications that this day may not be far off. There is already some scattered short-time working and it may spread.

5. It is important if we are to find a remedy or even a partial remedy to understand the reasons which underlie this situation and what it is that Lancashire would like the Government to do. For convenience I group the problems in the succeeding paragraphs under the following heads: competitive efficiency, Indian grey cloth, Japan, price rings, and purchase tax, and I summarise at the end the best arrangement I can suggest consistent with the national interest.

6. It is essential to recognise that the main reasons for the difficulties into which Lancashire may be running is the loss of its export trade. Exports of cotton cloth fell from 865 million square yards in 1951 to 710 million square yards in 1953—a decline of 155 million square yards. Last year there was a further decrease of 70 million square yards lost largely to Japanese and Indian competition particularly in the Colonies and the loss of export trade to cheap competitors is one of the facts of the situation which probably must be accepted.
Competitive Efficiency

7. It is almost certain that this industry could do a good deal more than it does to improve its competitive efficiency and I have constantly urged in public and in private discussions with leaders of the industry the need to speed up re-equipment and adopt modern production methods if as large a share as possible of the export trade is to be saved. Many shrewd critics have urged the industry to do what the ablest men in it are already doing, namely to modernise at the pace of its rivals and concentrate on those types of production in which it can best compete—probably at the higher quality end. In addition I considered a long time ago whether the Government could make some special intervention to assist this process, through, for example, a subsidy or some other form of financial assistance to the weak weaving section of the industry to facilitate its re-organisation and development. This could be analogous to the subsidy for the spinning section of the industry introduced in 1948. I have discussed this idea informally with a number of the leaders of the industry and they have all told me that we would do far better to leave the industry alone. Frankly I am doubtful whether, even if the industry were prepared to co-operate, it would be desirable or practicable for the Government to help in this way. Reorganisation will take place, the industry will be compelled to adapt itself to the present realities of the world markets, by which some of the industry's export trade will be lost for good. But this process will be determined by the hard logic of events and will be accomplished better and more smoothly if done by the industry itself. At any rate I cannot say that there is, at present, any industrial support for Government intervention on these lines.

Indian Grey Cloth

8. There is a powerful agitation going on to stop or limit the imports of Indian grey cotton cloth. Imports of grey cotton cloth from all sources rose steeply last year but are in fact very little higher in total than the annual average since the war ended and consist largely of cheap Asian cloth finished here and re-exported. While we could do a good deal of damage to our export trade by limiting the imports of this grey cloth we would achieve little if anything to help Lancashire in its difficulties.

9. Lancashire cotton cloth production is about 2,000 million square yards a year. Imported grey cotton cloth amounts to about 236 million square yards a year, the Indian being some 128 million square yards. About half the Indian cloth is re-exported and to stop this coming in would almost certainly mean the further loss of export business; the cloth would be finished elsewhere and sold in third countries at prices with which we could not compete. The other half of the Indian grey cloth could hardly be excluded altogether and any cut of its import would make an almost negligible contribution to Lancashire's real problem, which is falling exports with which I deal later.

10. At the moment, therefore, I am not satisfied that there is a case for action. I am particularly anxious that no one on behalf of the Government should even hint at the possibility that we might take early action since this would lead to a rush of buying to frustrate anything which we might later do.

11. I wish to emphasise that there are considerable dangers in any action we might take. The Indian cotton textile industry has always been closely identified with Congress. No Indian industry arouses political emotions more easily—and this was made clear to the Minister of State, Board of Trade, during his recent visit. If we proceed to restrict imports of grey cloth I cannot answer for the reactions of the Indian Government: The whole future of the Trade Agreement of 1939 would be called in question. I do not want this. The Indian Government would be under strong domestic pressure to abandon Imperial Preference altogether. At best, we should lose some useful preferences in India.

12. Nevertheless I am naturally considering what action I could take if in the last resort I am compelled to limit these imports. I am examining the problems of presentation which would arise if it became necessary to apply either a quota or a tariff. To that end I am pressing the Cotton Board to give me much more evidence than they have so far, for example on comparative United Kingdom and Indian costs and prices, and which we would need if we were going to be able to state anything like a presentable case justifying restrictions.
13. A tariff against India would raise formidable difficulties. These difficulties do not as is popularly and erroneously supposed arise from the provisions of the General Agreement on Tariffs and Trade (G.A.T.T.). They go far wider and deeper. Apart from any re-negotiation of our Trade Agreement with India there is the question of what to do about other Commonwealth countries. It would be a major departure from our long-established policy to impose a tariff or, for that matter, a quota against India which discriminated against her in relation to other Commonwealth countries. To avoid such discrimination we should probably need, therefore, to modify the Ottawa Agreements with other Commonwealth countries. In addition, tariff action could not be confined to cloth but would have to extend to goods made from it, and other industries would press for similar treatment. Legislation would be necessary.

14. An alternative which would be least likely to involve re-negotiation of our Trade Agreement with India would be to impose non-discriminatory quota restrictions under Article XIX of the G.A.T.T. But I think we are a considerable way off the threat of "serious injury" to the industry, which would justify invoking Article XIX. If the pressure here were to induce us to act long before the conditions of Article XIX could be shown to be satisfied, other nations would not be slow to seize upon the precedent and invoke the same Article against our exports. The liberalisation of the textile trade in Europe might easily be endangered. In fact, such action would run counter to all we have been doing to limit quota restrictions on trade, in the Organisation for European Economic Co-operation, in the G.A.T.T., in the "Collective Approach" and in discussions with the United States.

15. My colleagues will recognise from these considerations that this problem goes much wider than Lancashire. If we are forced to act against these imports in existing conditions we shall have to pay a formidable price in loss of preferences for something which can at best assist Lancashire to little more than 1 per cent. of her production. My intention, therefore, is to complete the preparation of the best case which could be stated for a quota or a tariff but for the time being to hold on.

Japan

16. Lancashire's anxieties are:

(i) Japan and G.A.T.T. Here our decision to invoke Article XXXV will be popular.

(ii) Japanese copying. The industries of the two countries are in touch. In practical terms there is very little scope for Government action.

(iii) Japanese textile exports to the United Kingdom and the Commonwealth.

17. The small import quotas for the home market are not seriously criticised by the industry. The £3 million quota (equivalent to some 55 million square yards) for grey cloth for finishing and re-export, though unwelcome to our spinners and weavers, is essential to our export trade.

18. In these circumstances I consider that in the next trade and payments negotiations we should hold the textile quotas for the home market at or below their present level. The quotas were originally established as one of the steps needed to improve Japan's precarious sterling position and so to enable her to maintain her sterling purchases. Since she is now accumulating sterling we certainly need go no further.

19. Lancashire's real problem is, as I have already said, not imports but declining exports. The decline in exports of 70 million square yards of cotton cloth between 1953 and 1954 would have been worse but for an increase of 26 million square yards to Australia which we may find difficult to hold on to and which masked to some extent the damage which we are now suffering from competition in the Colonial markets. In British West Africa alone we lost 40 million square yards, in other British Colonies we lost 34 million square yards, and we only held our own in East Africa because of a licensing policy more favourable to us than that now to be adopted.

20. Part of the competition in these Colonies comes from India, but the real anxiety from the point of view of Lancashire is the increased competition from...
Japan. The striking increase in Japanese exports of cotton cloth to British West Africa last year is shown by the following figures:

<table>
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<tr>
<th>Year</th>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
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<tr>
<td>1953</td>
<td>7.3</td>
<td>3.6</td>
<td>10.7</td>
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<tr>
<td>1954</td>
<td>24.0</td>
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Japanese Exports of Cotton and Rayon Cloth

(Million square yards)

Lancashire could get real help if the Colonies cut back their imports from Japan. If Japan's sterling balances, which are now again substantial, continue to rise we should be justified in doing again as we did in similar conditions two or three years ago. It would not be easy to explain that we were unwilling or unable to take similar action when the sterling area has a debit balance of payments with Japan, unless our overall balance of payments difficulties justified it. I conclude on this aspect of the matter that the most solid help we could give to Lancashire would be to persuade the Colonial Governments to steady a little the flow of Japanese cloth into these Colonial markets. If something on these lines is contemplated, warning to Colonial Governments is needed now or the forward orders will certainly be placed in Japan.

Price Rings

21. It is not my purpose in this paper to analyse the various restrictive practices which operate within the textile industry, many of which stem from the depression of the 1930's. Nevertheless it is relevant that the Government is to-day under severe attack for what is alleged to be an unwillingness to carry out a vigorous policy against monopoly practices. It so happens that the only outstanding Report from the Monopolies Commission upon which we have delayed decision is that on the Calico Printing Industry. The Calico Printers use grey cloth, including of course the Indian and Japanese grey, process it and sell it at home and abroad. Some of the Calico Printers' price maintenance and other devices are severely criticised by the Monopolies Commission and it will be very hard to defend our general policy on Monopolies or uphold the authority of the Commission if we reject the advice which the Report contains. Action, however, would not be popular with the Calico Printers. E.A. (55) 23 deals more fully with this issue.

Purchase Tax

22. Lastly, there is the question of purchase tax. Purchase tax in the textile industry is imposed upon the basis of what is known as the D Scheme. This means that the whole of the tax is borne by the high-quality end of the industry. This method of taxation was introduced on the advice of the Douglas Committee to avoid or reduce the difficulties which arose from the utility scheme. Lancashire is now saying that the tax distorts the pattern of production and discourages the very move into the higher qualities in which some hope for the future seems to lie. Nor is it easy to resist the criticism that it is unfair that the cheaper grades which include those from India and Japan are free of tax while Lancashire's own higher quality goods have to bear it. Certainly the abolition of purchase tax on textiles and clothing would be very popular. The Chancellor of the Exchequer will, no doubt, wish to reserve his position about the cost to the Revenue which might be some £40 millions. This would almost inevitably lead to concessions having to be made for other industries, which would add to this cost, and there are many other considerations involved. I mention purchase tax because it is a burning issue in Lancashire and no report on the state of Lancashire would be complete without reference to it.

Conclusion

23. The Lancashire textile industry faces serious difficulties and its leaders insist that they can and should be solved by Government action. They are wrong in thinking that Government action can solve these difficulties. But we shall be criticised unless we take steps to help them. I would summarise my approach as follows:

(i) We should not at present pursue the idea of any scheme for giving a subsidy or other financial assistance for re-equipment, for example to the weaving section of the industry.
(ii) We should not at present restrict imports of cotton cloth from India; we should refrain from giving any hint that such action is considered as an immediate possibility.

(iii) We should have ready the case on which we would rely if we had to apply a quota or a tariff to restrict imports of foreign or Indian grey cloth.

(iv) We should aim at maintaining substantially the present restrictions on United Kingdom imports of Japanese cloth and we should send a warning letter to Colonial Governments and look closely at the possibility of persuading them to reduce their imports of textiles from Japan.

(v) We should examine the action to be taken on the report of the Monopolies Commission on Calico Printing upon its merits as set out in E.A. (55) 23.

24. I am sure that the Chancellor will bear in mind, against the background of the many other considerations which he necessarily has to weigh, the advantages which would flow from the removal of purchase tax on textiles.

25. I will naturally keep my colleagues in touch with this situation as it develops but in the meantime I ask for their general approval of the policy summarised in paragraph 23.

P. T.

Board of Trade, S.W. 1,
14th February, 1955.
16th February, 1955

CABINET

COMMONWEALTH MEMBERSHIP

MEMORANDUM BY THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS

Mr. Lennox-Boyd and I had a talk to-day with Mr. Menzies and Mr. Holland about future Commonwealth membership. They had both studied the attached paper on “The Future of Commonwealth Membership” which I had given to them and to the Canadian Prime Minister.

2. Mr. Menzies and Mr. Holland agreed that the policy set out in the paper was the only practicable course we could pursue. Neither of them like the prospect of the progressive enlargement of Prime Ministers’ meetings any more than we do. Mr. Menzies said that already the number of second reading speeches made at these meetings was reducing their value and affecting the old intimate association when there were only four Commonwealth countries. They agreed that the best way of dealing with this was to carry on the separate treatment already practised between the United Kingdom Government and “the old four.” This worked all right in the pooling of information and ideas and consultation on policy; but it was more difficult when it came to meetings. They agreed that the separate meetings we had had on defence at this Conference, and which had become a recognised practice which all the Commonwealth Governments accepted was a useful precedent. But these had been confined to defence. I said that, though one might have a restricted meeting for a particular purpose and this would be the public justification, we could quite well talk about a lot of other things at the same time.

3. Mr. Holland asked what would be the procedure if one Commonwealth Government objected to the admission of a new country while all the others agreed. I said that fortunately we had no written constitution and nothing had been laid down. If the issue became acute I presumed the dissenting Government would have to make up its mind whether to concur with all the other Governments or to go out. One of the advantages of the decision having to be taken by all the full members was that this would be an issue not between the United Kingdom Government and a Commonwealth Government but an issue for all of us; and the influence which Prime Ministers like themselves could bring to bear would be very important.

4. This led on to the question of what South Africa was likely to do if the Gold Coast applied for full membership. Mr. Menzies, who had visited South Africa after the Coronation, had formed the same opinion that I expressed to the Cabinet, namely, that South Africa would say some pretty rude things, but would accept the view of all the other full members rather than go out of the Commonwealth. Mr. Menzies said he thought that South Africa was anxious not to be alone, and that view had been strengthened by the attitude Mr. Swart adopted inside and outside the Conference.

5. Mr. Lennox-Boyd informed us that the Gold Coast issue might be postponed for a further year as the Gold Coast Prime Minister had run into difficulties with the Ashanti Confederation; but this could not be guaranteed.
6. We then discussed the position of the Central African Federation. I explained that our view here was that it would be impossible to admit the Gold Coast and do nothing for the Federation. The constitution of the Federation could not be changed until it came up for review under the terms of the Constitution itself. But the difference between the Federation and a Colony was that, whereas the Colonial Government started by having jurisdiction over some local internal matters and advanced progressively until it obtained control of all its affairs, internal and external, the Federation started by controlling the major problems of the Territories and defence and, to a large extent, foreign affairs, while the Territorial Governments retained control of a number of territorial matters. We thought it would therefore be possible, when the time came, to propose that the Prime Minister of the Federation should attend Prime Ministers’ meetings as of right. This might not be logical, but fortunately we had no written Commonwealth Constitution and we could adopt practical solutions. In the past the Prime Minister of Southern Rhodesia had attended Commonwealth Meetings by invitation; and it had been a natural evolution, when the Federation came into being, that the Prime Minister of the Federation should be invited instead of the Prime Minister of Southern Rhodesia.

7. Mr. St. Laurent told me that he had shown the attached paper to Mr. Pearson, the Canadian Secretary of State for External Affairs; and Mr. Pearson told me that he agreed with his Prime Minister that we were on the right lines.

SWINTON.
THE FUTURE OF COMMONWEALTH MEMBERSHIP

I

Within the next few years the Gold Coast will claim the right to assume full responsibility for her own affairs. She will probably wish to acquire the status of "independence within the Commonwealth" and will expect this to carry with it acceptance as a full member of the Commonwealth. She can only be admitted to full membership by a collective decision of the existing members. If she is not so admitted, she will ask what her new constitutional status will be. The answer given to that question will have an important influence on the future pattern of the Commonwealth connection. It ought therefore to be given, not solely with reference to the Gold Coast, but in the knowledge that it will establish a precedent applicable to other dependent territories which in future attain the status of independent nationhood.

Before we reach this important turning-point in the evolution of the Commonwealth connection we should look ahead and consider in what general direction these constitutional developments should be guided. For this purpose we must try to forecast what the shape of the Commonwealth is likely to be in ten or twenty years' time, and what will then be the essential links between its independent members.

2. For many years successive Governments in the United Kingdom have pursued, with a broad measure of public support, a Colonial policy of assisting dependent peoples to reach a stage of development at which they can assume responsibility for managing their own affairs. As a result, constitutional development is proceeding steadily in many parts of the Colonial Empire. This process cannot now be halted or reversed, and it is only to a limited extent that its pace can be controlled by the United Kingdom Government. Sometimes it may be possible to secure acceptance of a reasonable and beneficial delay in order to ensure a more orderly transition. But, in the main, the pace of constitutional change will be determined by the strength of nationalist feeling and the development of political consciousness within the territory concerned. Political leaders who have obtained assurances of independence for their people normally expect that the promised independence will be attained within their own political lifetime; and, if they cannot satisfy their followers that satisfactory progress is being maintained towards that goal, their influence may be usurped by less responsible elements. Any attempt to retard by artificial delays the progress of Colonial peoples towards independence would produce disastrous results. It would, in particular, be likely to have the consequence that, when power had eventually to be transferred, it would be handed over to a local leadership predisposed towards an anti-British policy.

3. The territories in the Colonial Empire may for this purpose be classified in three groups:—

(a) If constitutional development pursues its natural course, it seems likely that within the next ten or twenty years the following territories (arranged in alphabetical order) will achieve a fully independent status and become candidates for full Commonwealth membership:—

- Central African Federation.
- Gold Coast.
- Malayan Federation (including the present Federation of Malaya, Singapore and possibly North Borneo, Sarawak and Brunei).
- Nigerian Federation.
- West Indian Federation.

* In the preamble to the Constitution of the Central African Federation it is declared that the association of the three territories in a Federation would enable it, when its inhabitants so desired, to go forward towards the attainment of full membership of the Commonwealth. It is also provided that the Constitution itself shall be reviewed between 1960 and 1962. The Federation may well acquire before then so much of the practical substance of full Commonwealth membership as can be secured within the existing Constitution.
There are many small territories which, though they may be or become capable of managing their own internal affairs, are never likely to achieve full independence, and cannot aspire to the status of full Commonwealth membership. These are listed in the Appendix. Most of these territories present no immediate problem. For many of them direct or indirect rule on the Colonial pattern will continue to be appropriate for many years to come. From none of them could there be any legitimate claim to full political equality with the independent members of the Commonwealth.

There remains an intermediate group where the future course of political development is uncertain:

- Kenya
- Tanganyika
- Uganda
- Sierra Leone

Of these, Sierra Leone may in due course develop on the same lines as the Gold Coast. So might Uganda. In the other East African territories, however, the problem is different. There the first need is to find some means of reconciling the interests of the white settlers, the Asian community and the indigenous African population. If this problem can be solved, it may be possible to overcome the local objections, now strongly held, to the creation of an East African Federation which would in due course become a candidate for full Commonwealth membership.

4. The urgent problem arises from the rapid growth of nationalism and the consequent pace of political development in the five territories listed in group (a). It is this which will test the flexibility of the Commonwealth connection and will present an immediate challenge to Commonwealth statesmanship.

All the territories in this group are likely to attain full independence within the next ten or twenty years. If they are then retained within the Commonwealth, the independent countries of the Commonwealth will be:

<table>
<thead>
<tr>
<th>Present Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Millions)</td>
</tr>
<tr>
<td>United Kingdom</td>
</tr>
<tr>
<td>Canada</td>
</tr>
<tr>
<td>Australia</td>
</tr>
<tr>
<td>New Zealand</td>
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<tr>
<td>South Africa</td>
</tr>
<tr>
<td>India</td>
</tr>
<tr>
<td>Pakistan</td>
</tr>
<tr>
<td>Ceylon</td>
</tr>
<tr>
<td>Central African Federation</td>
</tr>
<tr>
<td>Gold Coast (including Ashanti and N. Territories)</td>
</tr>
<tr>
<td>Malayan Federation</td>
</tr>
<tr>
<td>Nigerian Federation</td>
</tr>
<tr>
<td>West Indies Federation</td>
</tr>
</tbody>
</table>

(a) Europeans: 2.6 millions.
(b) Europeans: 213,000.
(c) Including Singapore, North Borneo, Sarawak and Brunei.
(d) Jamaica, Trinidad, Barbados and Leeward and Windward Islands.

II

5. What purposes will be served if all the countries in this group are held together in the political association of the Commonwealth? What advantages shall we gain?

(i) We shall support and strengthen the political influence of the Commonwealth as a whole throughout the world.

We cannot hope to maintain that influence unless we succeed in holding together in a new form of association those parts of our former Empire which achieve independence. To follow courses which encouraged those countries to secede from the Commonwealth on
attaining their independence would be tantamount to adopting a policy of deliberately weakening our own strength and authority in world councils by a series of self-inflicted wounds. The prestige and international standing of the Commonwealth has in fact been enhanced in recent years by its capacity to hold within it countries to which full political independence has been accorded.

(ii) We shall strengthen the sterling area by maintaining its political cohesion.

(iii) We shall strengthen our defence potential.

Some of the younger Commonwealth members may become more willing to support a common military effort as the years go by. Meanwhile the maintenance of the political connection between them as independent countries of the Commonwealth will provide valuable facilities, in communications, raw materials and industrial potential, to support such Commonwealth forces as may be engaged in a future war.

(iv) Countries which maintain the Commonwealth connection are less likely, in the period of their political immaturity, to pass under the influence of hostile Powers. Even though the grant of independence is delayed until internal political problems have been overcome, there is still a risk that some of the territories now nearing the stage of independence (e.g., a Malayan Federation) might, if they chose independence outside the Commonwealth, fall under the influence of a hostile Power—whether by way of internal penetration or by open aggression. This risk will be reduced if they remain within the political association of the Commonwealth.

(v) The Commonwealth is as yet the only effective international organisation which links together in an intimate association both white and coloured peoples. As such it now provides a valuable bridge between the West and Asia, and in the coming generation it could do the same with Africa. To play this rôle, the Commonwealth must retain its multi-racial character with formal constitutional equality between member nations of different races.

(vi) From a broader point of view we may have faith that countries which have inherited, whether by blood or by upbringing, the British traditions and outlook on life will be more likely to work for peace and to exercise a healthy influence in international affairs. They will be able to do so more effectively if they are linked together in a single political association.

6. The independent Commonwealth peoples associated in this group are favourably placed to exercise a substantial influence in world affairs.

The group includes at least one country of outstanding importance and influence in each continent of the world—Europe, (North) America, Africa, Asia and the South Pacific.

It embraces people of all the most important races save the Slavs and Mongols—Europeans, Asians and Africans are included in it.

It includes people of all the main religions of the world—Christian, Moslem, Hindu and Buddhist.

7. What is the essential link between them? What is the common feature of the group?

The tie of blood, though important, is not the governing factor. It never was.

Nor are we now all bound together by a common allegiance to the Crown. All the independent members of the Commonwealth recognise the Queen as Head of the Commonwealth and as the symbol of the free association of its peoples. But the Commonwealth of the future will probably include more than one republic whose people owe no personal allegiance to the Sovereign. However greatly we may regret this, it need not be fatal to the cohesion of the Commonwealth. One of the most obvious deductions from the common allegiance was the presumption that, if one Commonwealth country were forced into war, all the other members of the Commonwealth would be at her side. But it has long been recognised that the decision to participate in a war rested with each Commonwealth Government separately.
The cohesion of the Commonwealth will continue to be strengthened by the fact that many of its members owe allegiance to a single Sovereign and that all recognise that Sovereign as the symbol of their free association. But the one feature which will continue to be common to all Commonwealth members is that, by reason of their history, they have common traditions, methods of Government and political institutions. They have also inherited or acquired the use of the English language as a medium (in most places the medium) of administration and civilised intercourse. Their common past makes it likely that there will be a broad similarity in their attitude to most major international problems. This is the important quality which all the independent members of the Commonwealth have in common. In some peoples who have recently achieved independence it may be obscured for a time by the passing discontents which accompany emancipation from external rule; but, when the initial exuberance of freedom has subsided, it will emerge. To preserve, strengthen and develop it should be a prime object of Commonwealth policy. And the forms of the Commonwealth connection, and the procedures for maintaining it, should be so moulded and fashioned as to secure that object.

III

8. Many feared that the admission of three Asiatic countries to Commonwealth membership would impair the intimate relations which had previously been maintained between the independent members of the Commonwealth. And, although the older members have not allowed this widening of the Commonwealth circle to disturb their old relations with one another, they have not as yet found it easy to treat the new Asiatic members on precisely the same footing. Thus, for various reasons, it has been found necessary to draw a distinction—e.g., in the types of information communicated between Commonwealth Governments—between the new and the old members of the Commonwealth.

Fears may now be entertained that the Commonwealth relationship may be further diluted if the Gold Coast and other countries in a comparable stage of development achieve full membership. For this reason it has been suggested that the time has come to develop a two-tier system of Commonwealth membership. Under this system membership of the inner circle, or upper tier, would be restricted to those countries which are in full control of their external relations and are capable of making a significant contribution towards their own defence. The qualification would have to be so framed as to confine the inner membership to countries whose views would command respect in world councils. Thus, the test in respect of external relations would not be satisfied by a constitutional right to conduct external relations or even perhaps by the fact that a country had entered into diplomatic relations with neighbouring States or with a few of the Great Powers. A candidate for the upper tier would be required to show that it was effectively conducting its own foreign policy. As regards defence, it would not be possible to make it a condition of inner membership that a country should be capable of defending itself, unaided, against external aggression. In the world of to-day this ambition is outside the reach of almost everybody. Most countries must rely, for their protection, on membership of some defensive alliance. The test would be whether the country had sufficient military strength to make it a worthwhile member of such an alliance.

9. This conception of a second class of Commonwealth membership has attractions at first sight. But on closer examination it proves to be open to serious objections. And it seems doubtful whether it would be practicable to bring it into operation. Thus:

(i) The tests suggested for membership of the upper tier are not absolute; they are essentially matters for judgment. The judgment on a particular application would have to be made by the existing members of the upper tier. Would they find it easy to reach a decision acceptable to all? And would the applicant be content to accept an adverse decision?

(ii) Not all of the countries now represented at meetings of Commonwealth Prime Ministers would qualify for membership of the inner circle on the basis suggested. It is arguable that Ceylon might fail to pass the
tests. The Central African Federation would certainly fail to qualify. But its leading member, Southern Rhodesia, has for some time past enjoyed de facto most of the benefits of full membership, including attendance at most meetings of Commonwealth Prime Ministers; and Sir Godfrey Huggins has been invited, as Prime Minister of the new Federation, to the present Prime Ministers' Meeting on the same footing as on previous occasions as Prime Minister of Southern Rhodesia. Would it be practicable to ask the Central African Federation—still less Ceylon—to withdraw from the inner circle and accept a position in the second tier?

(iii) Some at any rate of the new candidates for Commonwealth membership would be reluctant to accept the inferior status of second-tier membership—especially if the Central African Federation remained in the upper tier. Gold Coast Ministers have shown that they understand the distinction between the grant of self-government and the attainment of Commonwealth membership. But that does not lessen the risk that the Gold Coast, on attaining full self-government, would reject any suggestion that it should remain within the Commonwealth with any constitutional status inferior to that of the older members.

(iv) At the outset the lower tier would consist wholly of countries with coloured populations (unless the Central African Federation, with its European element, were constrained to join it). Even though India and Pakistan remained in the upper tier, it would be difficult to avoid creating the impression that the second tier had been invented in order to prevent any further countries with coloured populations from entering the inner circle. It would be impossible to maintain the two-tier system if it could be represented as based on a colour distinction.

(v) Even if the newcomers could be induced to accept a lower-tier status, they would probably be discontented with it and there is a risk that their discontent would be exploited by other countries.

(vi) Unless we can retain the friendship and partnership of those Colonial territories which are approaching self-government, it is likely that, instead of being at best co-operative or at least acquiescent, they may become positively hostile and, on the worst prospect, fall into the Soviet camp. However uncomfortable it may seem to some to have them as full members of the Commonwealth, it would be far more damaging to our wider interests if they were to turn against us. One of the great difficulties in the two-tier suggestion is that aspirants to Commonwealth membership are likely to regard it as failing to meet their legitimate demands, and will therefore be disposed to secede from the Commonwealth rather than accept an inferior status within it. If the break were to occur with acrimony, the consequences might be very serious.

(vii) Should any of these countries succeed in becoming members of the United Nations (as they almost certainly would if Russia changed her present attitude), they would hardly be content with an inferior status within the Commonwealth when, at the same time, they would sit in the General Assembly on equal terms, not only with other Commonwealth countries who are members of the United Nations, but with the United States, Russia and other great Powers.

10. Apart from these practical difficulties, the two-tier system will defeat the essential purpose of the Commonwealth connection—if, as stated in paragraph 7 above, that purpose is to develop a community of outlook among all Commonwealth members on the main international problems of the day. The countries which will shortly assume full responsibility for their own affairs will in fact wish to conduct from the outset some of their external relations. Thus, the Gold Coast will undoubtedly wish to develop diplomatic relations with the United States and probably with the other European countries having Colonial possessions in Africa. A Malayan Federation would certainly wish to maintain diplomatic relations with Indonesia and, in less troubled times, with China. A West Indian Federation would probably wish to establish relations with the United States.
As soon as any of these countries begin to conduct any external relations, they will feel the need of friendly help and advice. It is important that they should be encouraged to look for this to the other members of the Commonwealth. The concept outlined in paragraph 7 above will be wholly destroyed unless they do. The last thing we would wish is that any of these countries should be drawn into some foreign sphere of influence. It would, for example, be highly embarrassing if any of them, on gaining admission to the United Nations, were drawn into a South American bloc or an Arab bloc likely to vote against the other members of the Commonwealth. This situation would be only too likely to arise if, through being relegated to a second tier of Commonwealth membership, they were excluded—and felt themselves to be excluded—from the intimate interchange of views and information on foreign policy which characterises the relations between the existing members of the Commonwealth.

11. In practice, the only means of ensuring that these countries, on attaining independence, will turn to us for help and advice in the conduct of their external relations is to make available to them from the outset information and guidance on such international questions as are of direct concern to them. Their first steps in the conduct of external relations will be of crucial importance. It will therefore be most desirable that they should from the outset exchange representatives with other Commonwealth countries and that through this medium they should be provided with a flow of information and guidance, selective at first but progressively enlarged, on international matters of direct concern to them and of common concern to the Commonwealth as a whole. And, as time goes on, there will be need for personal exchanges between the Foreign Ministers of those countries and of the older members of the Commonwealth. It is only by this means that we can hope to develop, in new Commonwealth members, that similarity of approach to the main problems of international relations which enables the Commonwealth to exercise its influence in world affairs. But these procedures, viz., the exchange of High Commissioners, the interchange of information and views on foreign policy, and attendance at periodical meetings of Commonwealth Ministers, are in fact the outward marks of full Commonwealth membership.

All this suggests that the essential purpose of the Commonwealth connection will not be achieved unless countries attaining full independence within it are admitted to full membership of it. This need not mean that certain aspects of their relations with the United Kingdom or other Commonwealth members could not be defined and regulated by written agreements importing specified duties and obligations. There would certainly be scope for such agreements on defence, finance and other matters: agreements of this kind were in fact concluded with Ceylon.

12. One of the objections sometimes raised to any further extension of full Commonwealth membership is that what was formerly a close partnership between a few influential countries will be impaired if membership is opened to a large number of small countries. The fear is that the Commonwealth countries which carry weight in the world might fail to make their views prevail at a meeting of Commonwealth Prime Ministers if they were outnumbered by countries newly admitted to independence and still insignificant internationally.

This apprehension, if it is seriously entertained, may be allayed by knowledge that, of the countries which may soon claim full membership, so many are likely to come forward in groups, viz., the Central African Federation, the Malayan Federation and the West Indian Federation. It will be seen from the population figures in paragraph 4 above that the newcomers at such a gathering will not in fact be representing small territories or insignificant interests.

A more compelling consideration is, however, that on these occasions decisions do not go by vote. Nor, for that matter, does influence depend on card votes. At these meetings leadership and influence will doubtless continue to be exercised by those who can command it, on their individual merits or by virtue of the actual or potential power of the countries which they represent.

13. At "plenary" meetings of Commonwealth Prime Ministers all members of the Commonwealth would need to be represented. But this need not make it impossible to hold from time to time smaller meetings at which something less
than the whole body of Commonwealth members would be represented. Meetings
to deal with specific regional problems could probably be arranged. And smaller
meetings could sometimes be held on a functional basis, e.g., some defence
discussions could be limited to countries which had accepted specific defence
commitments.

It might even be possible to develop a system by which formal meetings, on
the model of the old Imperial Conferences, were held for the discussion of financial
and economic questions and other technical matters—the Colonies, as well as
independent Commonwealth countries, being represented on such occasions—but
the smaller meetings of Prime Ministers were treated as more informal gatherings
to be held at irregular intervals, as occasion offered. This might make it possible
for the Prime Ministers of some of the older Commonwealth countries to meet
together from time to time, even though not all of the new member countries were
represented.

It must, however, be admitted that in arranging meetings confined mainly to
the Prime Ministers of the old Commonwealth countries great care would have to
be taken to avoid importing the suggestion that a concealed two-tier system was
in operation. It is also true that such smaller meetings, whether convened on a
regional or on a functional basis, would rarely consist of those Prime Ministers and
no other. Thus, in recent consultations between Commonwealth representatives
in New York to deal with United Nations business, it has usually been found
desirable to include India.

14. The admission of further countries to Commonwealth membership may
also lead to some changes in the procedures for day-to-day exchanges between
Commonwealth Governments. The free and full exchange of information and
views which takes place between certain Commonwealth countries will be neither
necessary nor appropriate in the case of an African territory which has newly
attained its independence. It will be reasonable that there should be some
discrimination, between Commonwealth Governments, in the exchange of
information on international questions of current interest. This, however, will not
involve any radical departure from existing practice. In the day-to-day exchanges, as
in matters of constitutional status, there would be dangers in discriminating by
class and developing hard-and-fast differentiations in treatment between "old"
members and "new"—or, for that matter, between "old," Asian and African
members.

15. Africa's future presents a challenge to Commonwealth statesmanship.
The application of the Gold Coast for full Commonwealth membership will,
when it comes, mark a decisive turning-point in the evolution of the
Commonwealth connection. It will be recognised as such by other countries,
and especially by the Asian members of the Commonwealth. The solution
suggested in this paper will certainly produce difficulties. In South Africa there is
already criticism of the United Kingdom for bringing African colonies to
independence at too fast a pace, or indeed bringing them to independence at all.
Mr. Strydom (who, like all other Commonwealth Prime Ministers, would have to
be consulted before a collective decision was taken on the admission of a new
member) may therefore find it difficult to agree to the Gold Coast's admission to
Commonwealth membership. On the other hand, a decision to refuse her
admission would certainly produce a wide rift between the old members of the
Commonwealth and the Asian members. A decision based, or thought to be
based, on a denial of racial equality might well lead to a disruption of the
Commonwealth as we know it to-day. If it did not lead to the secession of the
Asian countries from the Commonwealth it might provoke them into assuming an
open leadership of all the aspiring African Colonies which might be even more
disruptive in its effects on the cohesion of the Commonwealth and Empire.

January 1955.
APPENDIX

COLONIAL TERRITORIES WHICH CANNOT ASPIRE TO FULL COMMONWEALTH MEMBERSHIP

Gibraltar.
Malta.
Cyprus.
Bermuda.
Bahamas.
British Guiana
British Honduras
Falkland Islands.
Fiji.
Western Pacific High Commission Territories.
Zanzibar.
Gambia.
Somaliland.
North Borneo
Sarawak
Brunei
Aden.
Hong Kong.
Mauritius
Seychelles.
St. Helena.

unless included in West Indian Federation.
unless included in Malayan Federation.
CABINET

PUBLIC SERVICE VEHICLES

Memorandum by the Minister of Transport and Civil Aviation

The Legislation Committee this morning instructed me to submit to Cabinet the question of the line to be taken on the Contract Carriages and Special Travel Facilities Bill (L.C.(55) 4th Meeting, Item 4). The Bill is down to be taken as first Order on Friday, 18th February.

2. The effect of the Bill is set out in L.C.(55) 22.

3. Little difficulty arises on clauses 1 and 2 of the Bill, which seek to reverse the provisions of the Road Traffic Act, 1930 and the Transport Act, 1953 in the direction of extending municipal trading. It is clear that these clauses should be opposed.

4. The difficulty arises on clause 3, which seeks to permit a local authority to allow either free travel or reduced fares on its municipal transport undertaking to old age pensioners, persons under fifteen, and other categories, and to charge the loss incurred against the general rate fund. Clause 4 prevents any part of the cost of this falling on the Exchequer.

5. Until the recent decision in the case of Prescot and the Birmingham Corporation, out of some ninety authorities operating municipal transport systems fourteen (including Birmingham) operated a system of free travel for old age pensioners, and fourteen allowed them to travel at reduced rates. Two other local authorities allowed free or concessionary travel for old age pensioners but in the time available I have not been able to find out the details. All municipal (and, indeed, most other) transport undertakings allowed reduced rates to children.

6. The Solicitor-General informs me that the effect of the Birmingham decision is to make it illegal for local authorities in the absence of express statutory authority to grant free travel to any category of person, but to permit the grant, with the approval of the Licensing Authority, of reasonable concessionary fares, provided that recourse does not therefore have to be made by the transport undertaking to the general rate fund.

7. As a consequence, if no further action is taken, free travel will have to be withdrawn in all cases where it at present operates, and concessionary fares will only be possible where the cost can be carried by the transport undertaking itself.
Reference: CAB 12a(73)

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Reference.

CAB 129/73

ALL EVEN NUMBERS BETWEEN

Folios 402 - 410

ARE BLANK AND HAVE NOT BEEN COPIED
8. Four local authorities have submitted Private Bills to authorise the continued grant of free or concessionary travel, and one Scottish local authority is promoting a provisional order for the same purpose. Four other local authorities are considering the promotion of similar private Bills but are waiting to see how this Private Member's Bill goes in the House before doing so.

9. Representatives of a number of the major authorities concerned saw me last week and urged that the use of the general rate fund to support either free or concessionary travel should be legalised. One representative, with the apparent assent of his colleagues, indicated that in fairness to competing non-municipal transport undertakings it should be obligatory in such cases to buy similar privileges for the same categories of persons on other transport undertakings such as private bus companies or, indeed, the railways, which operate on the same or similar routes as the municipal undertaking.

10. The courses open to the Government are:

(i) To try to secure the defeat or talking out of the Bill. This has the disadvantage of leaving us to face the legal position resulting from the Birmingham case, and the consequent withdrawal of some advantages now enjoyed. Apparently even reduced fares for children would only be possible where the local authorities' transport undertakings could afford it;

(ii) to allow clause 3 of the Bill to go through in its present form. This would have a very serious effect on the competitive position of other transport undertakings, since it would involve subsidisation out of the rates in favour of municipal transport undertakings which directly compete with private bus undertakings and with the railways;

(iii) to allow the Bill to obtain a Second Reading but to indicate an intention to insert in Committee a provision on the lines of that mentioned in the second sentence of paragraph 9 above. This would have the disadvantage of allowing old age pensioners and others to enjoy these advantages only in those towns and cities which run a transport undertaking.

J.A.B. C.

Ministry of Transport and Civil Aviation, W. 1.

16th February, 1955

CABINET

LEGISLATIVE PROGRAMME

Memorandum by the Lord Privy Seal

On 28th July the Cabinet agreed to the insertion in the programme for this Session of a Bill dealing with the Sugar Industry (C.C. (54) 55th Conclusions, Minute 5), and a reference to it was made in The Queen's Speech.

2. The purpose of the Bill is, briefly, to end state trading in sugar by the end of 1955, by providing alternative ways of carrying out the Commonwealth Sugar Agreement, and of fulfilling our responsibilities to the home sugar beet growers. A Sugar Board would be established, and the Bill would deal, among other things, with market sharing arrangements, refiners' margins, etc. One advantageous consequence of its enactment would be to facilitate the re-opening of the London Terminal Sugar Market.

3. The Bill has now been drafted and consists of some 36 Clauses (all very complicated) and three schedules, and will be a hybrid Bill. This means that over and above the ordinary stages through the House it also has to go to a Select Committee, to which petitions may be addressed. It will, therefore, take a long time and will no doubt be very controversial.

4. Government supporters may well think the new powers to be near-nationalisation, and would have to be convinced that it is intended as a move towards freer trade in sugar; the Opposition will object to the ending of state trading, and to the quasi monopoly position of Tate and Lyle.

5. The Cabinet are therefore invited to consider what is the best course to adopt - to proceed with the Bill this Session, or to drop it.

6. If we drop the Bill, we will not this year have seen the end of state trading, and to that extent will not have gained one of our major objectives; and besides that there will be great disappointment in certain circles at the postponement of the re-opening of the London Terminal Sugar Market.

7. If we proceed with the Bill it is hard to say that, given its length and its hybrid form, and its controversial nature, it could be enacted by the end of July. Is it worth making the attempt?

8. If we decide to drop the Bill for this year, I would advise that it be completely drafted and ready for introduction at the earliest possible moment in the next Session.

H.C.

Gwydyr House, S.W.1.
16th February, 1955.
16th February, 1955

CABINET

LEGISLATIVE PROGRAMME

Memorandum by the Minister of Agriculture and Fisheries
and Minister of Food

In C. (55) 45 the Lord Privy Seal invites the Cabinet to decide whether to proceed with the Sugar Bill this Session, or to drop the Bill until next year. There are the following drawbacks to dropping the Bill,

2. The Bill is designed to end state trading in sugar and to free the import of sugar and sugar-containing goods while enabling us to carry out our obligations to producers overseas under the Commonwealth Sugar Agreement and to producers at home under the Agriculture Act, 1947. That we should, as far as possible, conclude the process of handing back the food trades to private hands during the lifetime of the present Parliament is an important consideration.

3. If the Bill is postponed the new Department of Food and Agriculture would have to remain the sole buyer of sugar for home consumption, quota restrictions on imports of sugar-containing goods (which have already caused us some trouble in the General Agreement on Tariffs and Trade) and the present complex administrative arrangements applying to the export of sugar-containing goods would have to remain, and it would be uncertain whether the London Sugar Market would think it worth while to re-open.

4. Producers, refiners, the sugar-using trades and the London Sugar Market have been encouraged to believe that the new Sugar Board will be functioning and the import trade in sugar and sugar-containing goods entirely freed by the end of this year at latest. They have already suffered much frustration and the prospect of the postponement for a further twelve months of legislation which has their goodwill and support will be a great disappointment to them.

5. I do not, of course, question the Lord Privy Seal’s view that the Bill is controversial nor that it is complex. But much of its length and of its complexity lies in the need to provide powers for the Customs and Excise Department which follow the normal and well-trodden lines of Customs legislation.

6. The Opposition’s criticism is likely to be focused on -

(i) the surcharge, because the Bill imposes the excess cost of Commonwealth-Agreement and home-produced sugar on the consumer (who bears it at present) instead of the taxpayer;
(ii) the continuation of the British Sugar Corporation as a limited company with private shareholders; and

(iii) the monopolistic position of Tate and Lyle.

Some of our people may not like the Sugar Board at first sight, but I think they will prefer it to a continuation of Ministry of Food trading. Some may not like the market sharing arrangements, though these have been in operation for twenty years.

7. I agree that the Bill is a tiresome and complicated one and is likely to take up a lot of time in Committee. The postponement of the Bill would be inconvenient but not disastrous. On the other hand, as it was referred to in The Queen's Speech I should have thought that, on balance, the arguments were in favour of proceeding.

D. H. A.

Ministry of Food, S. W. 1.

16th February, 1955.
17th February, 1955

CABINET

THE FAR EAST

Note by the Secretary of State for Foreign Affairs

I circulate for the information of my colleagues a copy of a letter from Sir Roger Makins, H.M. Ambassador in Washington.

Foreign Office, S.W.1.
17th February, 1955.

British Embassy,
Washington, D.C.
14th February, 1955.

Dear Secretary of State,

Before you leave for Bangkok and meet Foster Dulles you may like to have some reflections on the situation as I see it here.

Formosa Straits. There is not much to add to my numerous telegrams. I have little doubt that if the Communists slackened the line for a moment, the Americans would be glad to wriggle off the hook of the off-shore islands. The change in public opinion about the Chinese question to which I first drew your attention in my letter of 5th November was continued in spite of the shocks administered by the Communists over the prisoners and U.N. action. If you can find time to read Section 3 of our latest Weekly Summary (my telegram No. 99 Saving) you will find evidence for this. But we cannot force the pace. It is largely a question of timing. If the Chinese Communists proceed immediately to mount an attack on the Matsus or on Quemoy, then I think the disposition of the President will be to help the Nationalists resist the attack. The President, for all the moderating influence which he has so skilfully exercised to calm American public opinion, is pretty firm, and will be influenced by the "psychological factors" which Dulles mentioned recently; the reluctance to go on retreating in the face of Communist
threats, and the need to maintain the morale of the Nationalists. There is also the position of Japan, which cannot be far from American thoughts. I have the impression that the President may be rather firmer in his attitude about the off-shore islands than Dulles.

In these circumstances I think it would be a pity to press the Americans harder than we have already done to define their policy more closely now. They have been left in no doubt as to where we stand. We ought to play for time if we can, because it is working in our favour. The Americans are groping towards the concept of "two Chinas" or rather recognition of Peking and of a separate regime in Formosa. But there are many obstacles in their way.

One is the domestic political scene, but this is no longer controlling. Knowland is bound to come out against the President, not only from conviction, but with his eye on 1956, though he has not got any substantial support in the country. Nevertheless the President may need time to prepare the ground for a fight.

It follows that we are unlikely to be able to bring the Americans to a conference at the moment, though it might be possible later on. Perhaps the suggestion that two or three members of the Security Council should be asked to make an attempt at conciliation might keep the ball in play. But I do not think we ought to press this idea unless the Americans are willing to accept it.

I expect that we may have to help the Americans out of their difficulties and I wonder whether we could not give some public support to the position that Formosa should remain in friendly hands, and declare that we would regard an attack on it as an act of aggression until its future was determined by U.N. action or other peaceful means. This might not only help to bring the Americans towards our view on the off-shore islands, but also dispose them to be more forthcoming if Hong Kong is threatened, which in view of the present trend of Communist policy, appears possible. This must be giving you concern. Hong Kong to an American, can be regarded as an off-shore island position, and we cannot assume that they will inevitably come to our assistance if we are attacked.

S.E.A.T.O. Events in Moscow and the apparent trend of Chinese policy will, I think, dispose the Americans to put more stuffing into the S.E.A.T.O. Organisation. They were, as you know, lukewarm at the beginning, but events, combined with the pressure put on them by all the other participants (except ourselves) have moved them, and I think they might be prepared to consider giving a fairly strong commitment for the defence of South-East Asia, though this would be limited to air and naval support. They may also bring themselves to reconsider the size of their economic aid. However, here again, they may need some encouragement through an offer by us. I know that this is difficult, but Australia and New Zealand have now accepted a commitment. Could not we, for example, offer to enlarge the police college in Malaya and give facilities for training in jungle warfare to the S.E.A.T.O. countries?

You will find Dulles anxious about Communist intentions in East and West. The intelligence, as you know, is disquieting, road and rail construction on the Burmese frontier; Viet Minh activity in...
Northern Laos; clandestine penetration into Vietnam; and there is also the road and airfield development on the Chinese coast to the north of Formosa. All this makes the Americans very wary of further negotiation and concession.

As for the Soviet Union, there is the school of thought that the Russians are no longer trying to hold the Chinese back, but may egg them on, and promise them larger supplies of armaments and industrial goods. The C.I.A. are more concerned than the State Department by Russian intentions, and it is they who advise the National Security Council.

My best wishes for your trip. I am only sorry you have felt obliged to curtail it. We learn from the Burmese here that they are very disappointed at the omission of Rangoon.

(Signed) ROGER MAKINS

The Rt. Hon. Sir Anthony Eden, K.G., M.C.
CABINET

FORMOSA

NOTE BY THE PRIME MINISTER

I circulate the message which I sent to the President and which the Cabinet approved on February 15. I am not circulating the letter to which it is in part a reply on account of its personal and private character.

W. S. C.

10 Downing Street, S.W.1,
February 16, 1955.

PERSONAL MESSAGE FROM THE PRIME MINISTER TO PRESIDENT EISENHOWER

My dear Friend,

February 15, 1955.

We have all here been watching with the closest attention your decisions and moves in the Formosan crisis. For the last three weeks I have been wanting to write to you. Your most kind letter of February 10 has reached me and I find that much I had already put on paper still represents my steadily growing theme. Anthony and I, who have composed this message together, wish to do our utmost to sustain you and help you lead world opinion. There is wide recognition of the
Reference CAR 129 73

ALL ODD NUMBERS BETWEEN FOLIOS 413-426 ARE NOT BEEN COPIED
efforts you have made to keep out of war with China in spite of gross provocation. As you know, I feel strongly that it is a matter of honour for the United States not to allow Chiang Kai-shek and his adherents, with whom the United States have worked as Allies for so many years, to be liquidated and massacred by Communist China, who are alleged to have already executed in cold blood between two and three millions of their opponents in their civil war. Our feeling is that this is the prime and vital point. According to our lights we feel that this could and should be disentangled from holding the off-shore islands as bridgeheads for a Nationalist invasion of Communist China. Besides this we do not think that Formosa itself, while protected by the United States, ought to wage sporadic war against the mainland.

2. So the problem before us at this stage centres on what should be done about the off-shore islands, which we here have to admit are legally part of China and which nobody here considers a just cause of war. You know how hard Anthony and I have tried to keep in step with you and how much we wish to continue to do so. But a war to keep the coastal islands for Chiang would not be defensible here.

3. I had understood that the United States Government had so far been resolved to resist Chiang's pressure to give assurances about these islands, even in return for Chinese Nationalist evacuation of the Tachens, and had succeeded in doing so. I hope your last sentence on page 2 does not conflict with this.

4. I cannot see any decisive relationship between the off-shore islands and an invasion of Formosa. It would surely be quite easy for the United States to drown any Chinese would-be invaders of Formosa whether they started from Quemoy or elsewhere. If ever there was an operation which may be deemed impossible it would be the passage of about a hundred miles of sea in the teeth of overwhelming naval and air superiority and without any tank and other special landing-craft. You and I have already studied and indeed lived through such a problem both ways.

5. Guessing at the other side's intentions is, as you say, often difficult. In this case of Quemoy, &c., the Communists have an obvious national and military purpose, namely, to get rid of a bridgehead admirably suited to the invasion of the mainland of China. This seems simple.

6. Diplomatically their motives are more fanciful. It may be, as your third paragraph suggests, that the absurd Chinese boastsings about invading Formosa are inspired by the Soviet desire to cause division between the Allies in the far more important issues which confront us in Europe. It costs very little to say, as the Chinese are now reported to be doing, that "the possession of the Tachens will help the liberation of Formosa." It adds to the pretence of Communist China's might and is intended to provoke the United States into actions and declarations which would embarrass many of us, and add influence to Communist propaganda.
7. I have already expressed my convictions about your duty to Chiang whom you rightly called your "brave Ally." But I do not think it would be right or wise for America to encourage him to keep alive the reconquest of the mainland in order to enspirit his faithful followers. He deserves the protection of your shield but not the use of your sword. ("Sword" in this case is a rather comprehensive term.) The hope of Chiang subduing Communist China surely died six years ago when Truman, on Marshall's advice, gave up the struggle on the mainland and helped Chiang into the shelter of Formosa.

8. We were of course glad to see your decision, now bloodlessly carried out, to evacuate the Tachen Islands, but we still feel very anxious about what may happen at the Matsu- and Quemoy. The operation of evacuating 50,000 Nationalist troops might present serious dangers, especially to the rearguard. On the other hand to linger on indefinitely in the present uncertainty, might well reach the same conclusion by a slower process.

9. Before I got your message I had been wondering whether the following three-fold policy would be acceptable and I send it now for your consideration.

(a) To defend Formosa and the Pescadores as a declared resolve.
(b) To announce the United States intention to evacuate all the off-shore islands including Quemoy in the same way as the Tachens, and to declare that they will do this at their convenience within (say) three months.
(c) To intimate also by whatever channel or method is thought best that the United States will treat any proved major attempt to hamper this withdrawal as justification for using whatever conventional force is required.

This would avoid the unbearable situation of your overwhelming forces having to look on while Chiang's 50,000 men on Quemoy and any other detachment elsewhere on the off-shore coastline were being scuppered. To me at this distance the plan seems to have the merit of being simple, clear, and above all resolute. It would I believe command a firm majority of support over here. It puts an end to a state of affairs where unforeseeable or unpreventable incidents and growing exasperation may bring about very grave consequences.

10. To sum up, we feel that the coastal islands must not be used as stepping stones either by the Communists towards the conquest of Formosa or the Nationalists towards the conquest of China. But they might all too easily become the occasion of an incident which would place the United States before the dilemma of either standing by while their allies were butchered or becoming embroiled in a war for no strategic or political purpose.

11. If this is so, the right course must be to make sure that the United States are not put in the position of having to make such a decision over the coastal
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11. If this is so, the right course must be to make sure that the United States are not put in the position of having to make such a decision over the coastal
islands. This can only be done by taking advantage of the present lull to remove
the Nationalists from Quemoy and the Matsus—as they have already been removed
from the Tachens—before they become the occasion of further dangers. Opinion
in this country, and so far as can be judged in the Commonwealth, would regard
such a decision as right in law, in morals and in worldly wisdom.

12. Our long friendship made me wish to put these thoughts before you and
now I have the generous invitation of your closing paragraph. Anthony and I
deeply desire to do our utmost to help you and our strongest resolve is to keep
our two countries bound together in their sacred brotherhood.

With my kindest regards,
Your sincere friend,
Winston.
CONFERENTIAL

C. (55) 48

23rd February, 1955

CABINET

INTERNATIONAL LABOUR ORGANISATION

MEMORANDUM BY THE PARLIAMENTARY SECRETARY, MINISTRY OF LABOUR AND NATIONAL SERVICE

In accordance with the Constitution of the International Labour Organisation it is our practice to inform Parliament of the Government's proposals on Recommendations and Conventions adopted at sessions of the International Labour Conference. This Memorandum contains proposals on two Recommendations adopted by the Conference in 1953 and two Conventions adopted in 1948. It is proposed to inform Parliament at the same time that a correction has been necessary to a declaration made on behalf of Southern Rhodesia in respect of an earlier Convention.

2. The Annex to this paper contains a summary of these Recommendations and Conventions and sets out the considerations that have led to the present proposals, which are as follows:

(i) that partial effect should be given to Recommendation No. 96 (concerning the Minimum Age of Admission to Work Underground in Coal Mines) to the extent of existing legislation and by appointing 1st July, 1957, the date after which no boy under 16 may be employed underground except for specified training;

(ii) that Recommendation No. 97 (concerning the Protection of the Health of Workers in Places of Employment) should be declared acceptable subject to three detailed reservations and a general reservation on non-industrial employment;

(iii) that owing to the continued need in present circumstances for the employment of a limited number of women and young persons in industrial establishments at night, the Government must defer a final decision on Conventions Nos. 89 and 90 concerning the Night Work of Women and Young Persons employed in Industry.

3. The Minister of Fuel and Power is in agreement with these proposals so far as they relate to mines and quarries, and the concurrence of other Departments concerned has been obtained. The Ministry of Labour and National Insurance of Northern Ireland have been consulted and concur in the action proposed except for Recommendation No. 96 with which Northern Ireland is not concerned as coal production there is negligible.

4. If these proposals are approved, authority is sought for the presentation to Parliament of a White Paper which will be based on the Annex and which I shall circulate to the Cabinet for information in due course.

H. W.

Ministry of Labour and National Service, S.W. 1,
17th February, 1955.

47677
Recommendation (No. 96) Concerning the Minimum Age of Admission to Work Underground in Coal Mines

1. This Recommendation, the text of which was presented to Parliament in Cmd 9023, contains two provisions. First it prohibits the underground employment in coal mines of young persons under 16 years of age. Secondly it provides that young persons between the ages of 16 and 18 should not be employed underground in coal mining except for certain purposes or under certain conditions.

2. As regards the first provision, the existing law does not prohibit the employment of boys under 16 below ground in coal mining, and the present manpower situation in the mines makes it undesirable to do so. Any such prohibition before the school-leaving age is raised to 16 (when compliance with this provision of the Recommendation will become automatic) would make it difficult to recruit and retain the boys on whom the future of coal production depends. The coal industry must be able to compete with other industries in the recruitment of school leavers, for experience has shown that boys who have taken up other employment on leaving school are less inclined to change later to employment in the mines. In theory, the industry could recruit school leavers and employ them on the surface until they are 16, but many boys would leave the industry if they were kept for nearly a year on uninteresting surface work and not allowed to go underground even for training.

3. In order to secure a measure of conformity with this provision of the Recommendation before the school-leaving age is raised, however, the Minister of Fuel and Power proposes to avail himself of a provision in the Mines and Quarries Act, 1954, which empowers him to appoint a date after which no boy under 16 may be employed underground in any mine except for purposes of training. After consultation with the Chairman of the National Coal Board the Minister of Fuel and Power proposes that the appointed date should be fixed as 1st July, 1957, to allow sufficient time for the Coal Board to make the necessary preparations. After this date no boy under 16 would be employed underground except for training purposes. The type of training for which boys would be allowed to go underground would be prescribed by regulations made after consultation with both sides of industry. The proposal will not enable full effect to be given in 1957 to this provision of the Recommendation, which precludes employment underground even for training purposes, but it is not thought desirable to go further, for the reasons given above. The intention to make an Order under the Mines and Quarries Act, 1954, for this purpose would be stated in the White Paper announcing the Government's proposals for action on the Recommendation.

4. With regard to the second provision of the Recommendation, under which young persons between the ages of 16 and 18 may not be employed underground in coal mining except:

(a) for purposes of apprenticeship or other systematic vocational training under adequate supervision by competent and experienced persons, or
(b) under conditions determined by the competent authority after consultation with the employers' and workers' organisations concerned relating to the places of work and the occupations permitted and the measures of systematic medical and safety supervision to be applied,

the law and practice in the United Kingdom are in general in conformity with alternative (b) except that the places of work underground which may be permitted for male young persons between 16 and 18 years of age are not directly prescribed by the Government. The object of this provision is, however, secured by a system of statutory medical examinations under which young persons are not passed fit for underground work unless they are considered able to undertake any work which they may be called upon to perform during the early years of their employment. This system provides, in effect, all the necessary safeguards in relation to the places of work in which such persons are employed. It is not proposed in the circumstances to take action to secure greater conformity with this provision.

Recommendation (No. 97) Concerning the Protection of the Health of Workers in Places of Employment

5. The substantive provisions of the Recommendation are in four parts. The first of these deals with technical measures for the control of health risks. The
second calls for medical examinations for workers employed in occupations involving special risks to their health. The third makes provision for the notification of cases and suspected cases of occupational disease, and the fourth for first aid facilities. The text of the Recommendation was presented to Parliament in Cmd. 9023.

6. In the field of industrial employment, in which the majority of health risks are encountered, the law and practice in the United Kingdom are, in general, in conformity with the provisions of the Recommendation. There are, however, certain of the detailed requirements of the Recommendation which are not at present covered by legislation and in regard to which it is considered unnecessary or impracticable for the Government to introduce legislation or to take other action to secure compliance. While these points need not prevent the acceptance of the Recommendation as a whole it will be necessary to make reservations in regard to them. Paragraph 8 below contains particulars of the provisions in question, the reasons why reservations are necessary, and where appropriate the nature of the comments which it is proposed to make in the White Paper announcing the Government’s proposals for action on the Recommendation.

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7. In addition to the reservations on particular points it is also necessary to make a general reservation in regard to the field of non-industrial employment, including agriculture and transport. The scope of the Recommendation is not confined to industrial establishments but covers all places of work, though many of its stipulations are obviously inappropriate outside the industrial field. While there are legislative provisions concerning or affecting the protection of the health of workers in certain types of non-industrial employment, these are limited both in character and in scope. The possibility of introducing more comprehensive legislation for the protection of the health of workers in a wide field of non-industrial employment in Great Britain is under consideration by the Government but it is not, at this stage, possible to foresee how far such legislation will conform with the Recommendation, the provisions of which will be taken into account, or to predict the date of its introduction. It will be necessary to make this clear in the White Paper.

8. The provisions of the Recommendation on which particular reservations are necessary are as follows:

(a) Paragraph 2 (h) calls for measures to eliminate or reduce harmful noise or vibrations. The principle is entirely acceptable but it is considered impracticable to legislate in the present state of knowledge on the subject.

(b) Paragraph 13 says:

(i) That medical examinations made in accordance with the Recommendation should not involve the worker in any expense.
(ii) That deductions should not be made from wages where time is lost through attending a medical examination in cases where the matter is dealt with in laws or regulations, and where the matter is dealt with by collective agreement, the position should be as determined by the relevant agreement.

So far as fees are concerned, the employer is required to pay the fees for medical examinations carried out under the provisions of the Factories Acts and under Regulations made under the Coal Mines Act. As regards out-of-pocket expenses and loss of earnings, existing legislation is designed to ensure that as far as reasonably practicable statutory medical examinations are carried out at or near to the place of work so as to avoid any loss to the worker. It is not considered that legislation should go further than this and it is proposed to say in the White Paper that this is the Government’s view.

(c) Paragraphs 14–17 deal with the notification of cases and suspected cases of occupational disease. While the paragraphs are generally acceptable there are three points of difficulty:

(i) The Recommendation requires notification to the Labour inspectorate or other authority concerned with the protection of workers’ health. In the case of mines and quarries existing legislation does not provide for direct notification; reliance is placed upon
information made available by the Ministry of Pensions and National Insurance, and this method of obtaining information is working satisfactorily.

(ii) The Recommendation stipulates that a time limit should be set for notification in cases where immediate notification is required. To implement this would weaken existing factory legislation in the United Kingdom, which requires immediate notification without any period of grace.

(iii) The Recommendation lays down in detail the information which should be contained in notifications. The information specified, even if it could be obtained, might be misleading and it is considered preferable to maintain the practice in the United Kingdom of obtaining detailed information through an investigating officer.

It is proposed to cover these points by a general reservation on the following lines: the Government agree that the authorities concerned with the protection of the health of workers should have adequate information about the occurrence of cases of occupational disease; arrangements to this end already exist in respect of factory workers and workers in mines and quarries; these arrangements do not correspond in all respects to the very detailed provisions of the Recommendation but they are well tried and work satisfactorily in practice; the Government do not therefore propose to alter them.

Convention (No. 89) Concerning Night Work of Women employed in Industry (Revised) 1948.

Convention (No. 90) Concerning the Night Work of Young Persons employed in Industry (Revised) 1948

9. These two Conventions were adopted by the International Labour Conference in 1948 and their texts were presented to Parliament in Cmd. 7638 in February, 1949. It has not so far been possible to make any statement about the Conventions but it is proposed to do this in the White Paper now envisaged. The Conventions restrict night work for women and young persons respectively in industrial establishments. Permanent legislation in the United Kingdom is in accord with Convention 89 and except in the case of coal mining is largely in accord with Convention 90. Under emergency legislation, however, a limited amount of night work for women and male young persons is authorised in cases where the work cannot be performed by other means and where it is essential in the national interest for it to be done. In present circumstances it is necessary to retain this more flexible approach to night work and to defer reaching a final decision on the ratification of these two Conventions. This would be explained in the White Paper.

Convention No. 83. Southern Rhodesia

10. It is also proposed to make use of the present opportunity to inform Parliament of a correction which it has been necessary to make to a declaration of acceptance of Convention No. 83 on behalf of Southern Rhodesia. This Convention, which was ratified by the United Kingdom in March, 1950, but has not yet come into force, provides for the application to non-metropolitan territories of a number of earlier Conventions adopted by the International Labour Conference. The Convention was accepted on behalf of Southern Rhodesia; owing to an error, however, the declaration omitted to state a modification which would be made in the application to the territory of one of the earlier Conventions. The declaration of acceptance has now been rectified and the Director-General of the International Labour Office has formally recorded the rectified text. The matter is being reported to Parliament because the original declaration was laid before Parliament in Cmd. 7865.

* In the case of coal mines the new Mines and Quarries Act will bring the law into conformity with Convention 90 but it will not come into operation until a day to be appointed by the Minister of Fuel and Power. Even then night work for young persons between 16 and 18 will be permitted in three counties under a special exception which must, however, terminate not later than five years after the coming into force of the Act.
CABINET

POLICE CADETS AND NATIONAL SERVICE

Memorandum by the Minister of Defence

There is a serious shortage of police, particularly in the Metropolitan Police District. For some time, not nearly enough recruits have been enrolled, and recently not enough recruits have been taken into the Metropolitan Police Force to replace wastage.

2. The male establishment of this Force is 19,696, and the present deficiency is over 4,000. On the basis of the estimated rate of wastage there are likely by the middle of 1958 to be about 5,000 vacancies. The position is even worse than these figures suggest, since the Metropolitan Police Force, unlike other Police Forces, has had no increase in the ordinary establishment, such as would be justified by the new work put on the police. In order to fulfil its duties, the establishment of the Force should be increased to about 22,500, so that the real deficiency by 1958 will be about 8,000. These figures speak for themselves.

3. The position is also serious in a number of large industrial cities, including Birmingham, Bristol, Liverpool and Manchester.

4. The recent pay increases resulted in an increase in the number of applications to join the police, but have produced few suitable recruits. On the other hand, there is no shortage of good candidates for appointment as police cadets, who are enrolled at age 16 or 17 and are employed on ancillary police work until they are called up for national service. Unfortunately, a fair proportion of these cadets have not so far returned to the police on completion of their national service.

5. The Home Secretary accordingly proposes that a satisfactory police cadet should not be called up. On reaching the age of 19 he would be taken into the regular police force and his call-up would remain deferred so long as he continued to serve in such a force. The numbers concerned would not be large. About 1,200 cadets a year would be recruited to the Metropolitan Police at any time before they are actually called up to the Forces and a smaller number to the provincial forces in England and Wales.

6. The Home Secretary justifies his proposal on the following grounds:

(a) The preservation of law and order is fundamental to the life of the community, in a sense which is not applicable even to such an essential service as underground coal-mining, which now enjoys indefinite deferment from call-up.

(b) In war, the more efficient and up to strength the police are, the less will be the need to divert the armed forces from their normal functions for the purpose of aiding the civil power. It is also of the first importance that—in dealing with the results of attacks with thermo-nuclear weapons—the police forces should be as adequate and as highly trained as possible.

7. I have discussed this matter with the Home Secretary, the Minister of Labour and National Service and the Service Ministers. We are agreed that, merely from the point of view of numbers, to defer about 2,000 police cadets a year would create no difficulties for the Services.
8. The Minister of Labour and National Service is, however, apprehensive of the serious implications of the further breach in the established principle of universality of national service involved in the Home Secretary's proposal. Indefinite deferment for underground coal-miners and merchant navy personnel is now accepted by tradition, but the introduction of indefinite deferment for any fresh category — such as police cadets — would inevitably lead, in his view, to strong pressure for similar concessions in other directions, notably in respect of all men employed in agriculture. For these reasons, he is of the view that police cadets should continue to perform their full-time national service, and that if any concession has to be made it should not go further than reducing their period of service to, say, eighteen months.

9. The Service Ministers and I consider it essential to maintain the principle of universality of length of service under the National Service Acts, and to avoid introducing differing periods of full-time service for different categories of men. A solution cannot therefore be found in calling up police cadets for a shortened term of national service. Although we appreciate the strength of the arguments advanced by the Minister of Labour we see less objection to the grant of indefinite deferment to a very special category of men whose occupation is so vital to the life of the community as to make it desirable that they should not be called up so long as they remain in that occupation. We think that there is force in the Home Secretary's view that police cadets satisfy this criterion, particularly when it is borne in mind that the police are a disciplined force, calling for intensive training and with inconvenient and arduous hours of duty.

10. I ask my colleagues to decide whether police cadets covered by the Home Secretary's proposal should be granted indefinite deferment from call-up under the National Service Acts.

H. M.

Ministry of Defence, S.W. 1,
17th February, 1955.
TELEVISION DEVELOPMENT: SUNDAY BROADCASTING

MEMORANDUM BY THE POSTMASTER GENERAL

The companies providing programmes for the Independent Television Authority (I.T.A.) at its first three stations (in London, the Midlands and South Lancashire) are being granted contracts to operate, some from Monday to Friday, others on Saturday and Sunday. An important problem under discussion with the "week-end" companies is the period during which they should be allowed to broadcast on Sunday.

2. The present proposal is that they should be on the air from 2 p.m. to 11 p.m., with a break between 6 and 7 p.m.—a total of eight hours broadcasting (apart from any religious services they may broadcast). The question has arisen, however, whether Sunday television should be permitted between 3 and 4 p.m., the normal Sunday School period. It is strongly urged by the companies that Sunday afternoon is one of the most attractive periods for viewing in the ordinary household and they feel it would be quite wrong to deprive the adult population of this benefit from 3 to 4 p.m. merely because a limited number of parents may be unable to persuade their children to go to Sunday School. Moreover, the companies have undertaken to provide programmes from 3 to 4 p.m. which will not be attractive to the normal child, e.g., half an hour "In the News" (a political discussion on the lines of that given on Friday evenings by the B.B.C.) and half an hour orchestral music.

3. The B.B.C. also would much prefer their Sunday television period to start at 3 p.m., instead of 4 p.m. as at present.

4. I have not consulted the Sunday School organisations or the B.B.C. Churches Advisory Committee, because it seems clear that their views must be against any counter-attraction to Sunday School; once they have committed themselves against, our position would become more difficult. Nevertheless, viewing the problem as a whole, I think it right to authorise television service from 2 to 6 p.m. without a compulsory "Sunday School" break, but with the condition that, between 3 and 4 p.m., there must be "adult" programmes unlikely to attract children. As however this decision may give rise to some controversy, I think my colleagues should know of it before I notify the I.T.A.

D.

Post Office Headquarters, E.C. 1,
16th February, 1955.