1 - Technological Education. Memorandum by the Prime Minister.
2 - Anglo-Soviet Relations. Note by the Secretary of State for Foreign Affairs.
3 - Service Pay. Memorandum by the Minister of Defence.
4 - Imperial College of Science and Technology. Memorandum by the Chancellor of the Exchequer.
5 - Redistribution of Seats. Memorandum by the Secretary of State for the Home Department, and the Secretary of State for Scotland.
6 - Remembrance Sunday. Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs and the Secretary of State for Scotland.
7 - The Economic Situation. Memorandum by the Chancellor of the Exchequer.
8 - Imperial College of Science and Technology. Memorandum by the Minister of Works.
9 - Buraimi. Memorandum by the Secretary of State for Foreign Affairs.
10 - The Middle East. Note by the Secretary of State for Foreign Affairs.
12 - The Federation of Malaya. Note by the Secretary of State for the Colonies.
13 - Heroin. Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs.
14 - Issue of a Passport to Dr. Alan Nunn May. Memorandum by the Secretary of State for Foreign Affairs.
15 - Newsprint. Memorandum by the President of the Board of Trade.
16 - Malta Referendum. Note by the Secretary of State for the Colonies.
17 - The Economic Situation. Memorandum by the Chancellor of the Exchequer.
18 -
19 - Pensions (Increase) Bill. Note by the Lord Chancellor.
20 - Current Wages Position. Memorandum by the Minister of Labour and National Service.
22 - Cotton. Memorandum by the President of the Board of Trade.
23 - Arms for India and Pakistan. Note by the Chancellor of the Exchequer.
24 - Provision of Equipment at Concession Prices to certain Commonwealth Countries. Memorandum by the Secretary of State for Commonwealth Relations.

25 - Danish Bacon. Memorandum by the Chancellor of the Exchequer.

26 - Danish Bacon. Memorandum by the Minister of Agriculture, Fisheries and Food.

27 - Amendment of the Law relating to Murder. Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs.


30 - Statement on Defence, 1956. Note by the Minister of Defence.

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32 - Economic Situation. Note by the Chancellor of the Exchequer.

33 - Newsprint. Memorandum by the President of the Board of Trade.

34 - Restrictive Trade Practices Bill. Memorandum by the Lord Chancellor.

35 - Family Allowances (Amendment) Bill. Memorandum by the Minister of Pensions and National Insurance.

36 - The 10s. Widow. Memorandum by the Minister of Pensions and National Insurance.

37 - Restrictive Trade Practices Bill. Note by the Chancellor of the Exchequer.

38 - Sale of Aircraft and an Aircraft Carrier to Argentina. Memorandum by the Secretary of State for Foreign Affairs.

39 - Northern Ireland Parliament: Disqualification. Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs.

40 - Technical Education. Note by the Lord Privy Seal, the Secretary of State for Scotland and the Minister of Education.

41 - Nuclear Weapons. Note by the Prime Minister.


43 - Legislation to Abolish the Death Penalty for Murder. Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs.

44 - Workmen's Compensation. Memorandum by the Minister of Pensions and National Insurance.
Iceland Fisheries Dispute. Memorandum by the Secretary of State for Foreign Affairs, the Secretary of State for Scotland and the Minister of Agriculture, Fisheries and Food.

Technological Education. Memorandum by the Lord Privy Seal.

Federation of Malaya. Memorandum by the Secretary of State for the Colonies.

International Wheat Agreement. Memorandum by the Minister of Agriculture, Fisheries and Food.

The Territorial Army. Memorandum by the Secretary of State for War.

Cost of Meat Inspection. Memorandum by the Chancellor of the Exchequer.
CABINET

TECHNOLOGICAL EDUCATION

Memorandum by the Prime Minister

During the Recess I have been thinking over the problems of scientific and technological manpower and education, which are so vital to the future of this country. I attach a note which Lord Cherwell prepared at my request. I think that there is much to be said for his suggestion that this whole complex and difficult topic should be urgently reviewed for us by a small high-powered committee, and should like the views of my colleagues upon this.

A. E.

10 Downing Street, S.W.1,
1st January, 1956.
NOTE BY LORD CHERWELL

Britain will only be able to survive in the modern world if we can continue to sell at competitive prices manufactured goods equal in quality to those offered by other countries. We shall only be able to do this if our methods of production are better than those used by our competitors. If not, we shall have to consume less or the labour force will have to work longer hours or harder.

2. There is no need to stress the great shortage of scientists and technologists in the United Kingdom. Government establishments, industry and schools all tell the same tale; indeed at least one large firm has been reduced to trying itself to teach science to men with arts degrees after appointment.

3. Russia with only about four times our population has some 300,000 scientists and technologists in institutions of university status and a further 1,600,000 in institutions at least equal to our best technical colleges. Per head of the population we have only a fraction of these numbers in training.

4. How to set about increasing greatly the number of scientists and technologists is a complicated problem. Owing to the shortage it is very difficult to attract good men to teach science, whereas first class arts men are often glad to accept posts in schools. Moreover, the universities tend to give more scholarships for arts subjects than for science, and the most intelligent boys are in consequence induced by the schools to compete for these. Thus the best brains tend to be steered away from science. Men with arts degrees are produced in excess by the universities and there is a dearth of scientists and technologists. Hence we find few good science teachers and plenty of good arts teachers in the schools and the vicious circle is complete.

5. Our technical colleges are, it seems, good—some indeed very good; nevertheless they should be encouraged and perhaps further expanded. But technical colleges only teach the non-commissioned officers of industry. What the country is really short of is what might be described as the officer class, the really highly trained technologists such as exist in large numbers in other countries where the applied scientists are trained in technological universities like Massachusetts Institute of Technology, Zürich, Charlottenburg and so on. To produce anything like the number we need, technological universities of equal standard and status should be built up here. The Cabinet decided that this should be done more than three years ago.

6. Since then, however, it has been argued that the available resources should be used in the main to foster technology in the universities. Nobody would desire to abolish engineering teaching in universities; indeed there is no doubt a case for expanding and improving the teaching of the applied sciences there. But it is clear that only a fraction of the numbers we require can be produced in this way.

7. People are all too apt to think that technology is just engineering. But this is only one of the branches. Besides civil engineering, mechanical engineering, heavy electrical and light electrical engineering, electronics and chemical
engineering, there are vast branches of technology concerned with textiles, plastics, ceramics, glass and the like which are all vital to industry. To teach these properly dozens of departments and scores of professors are required. And to superimpose these on to many of our universities would not only be vastly extravagant, but would throw the whole university out of balance. Every other civilised country trains the bulk of its technologists in great institutions of university status and rank, conferring degrees, including doctorates, and generally enjoying all the prestige and privileges of ordinary universities.

8. If we are to have numbers comparable with the technologists trained abroad, the great bulk will have to be educated in similar technological universities in which the emphasis is on the various forms of applied science without, of course, neglecting ancillary subjects such as economics, law and languages.

9. In order to attract the best men it is vital that these institutions should have absolutely equal rank with the universities. To ensure this they must be treated not like technical schools and colleges but like the ordinary universities, i.e., financed by the Treasury through a technological University Grants Committee.

10. But the development of technological universities is only one aspect of the problem, though probably the most important. Of similar moment is the need to increase and improve science teaching in the schools, which is partly the responsibility of the Ministry of Education and partly the task of the independent schools which for a long time to come are likely to attract the best pupils. Then there is the question of improving the technical colleges. And there is the very important matter of the relation of all these institutions to industry. None of these problems can be treated in isolation. The many possible solutions must be dovetailed together in one comprehensive overall plan.

11. To produce the outlines of such a plan it would seem advisable to set up a very small high-powered committee like the one under Lord Waverley which worked out in broad outline the best way of transferring atomic energy work from the Ministry of Supply to the Atomic Energy Authority. Like that Committee it would report, at least in the first place, privately to the Government. It might be instructed by the Cabinet to outline a scheme for producing the large numbers of scientists and technologists the country needs, which will no doubt involve the creation of special technological universities. Such a committee should be able to report in two or three months.

12. We have seen how quickly Germany with her army of technologists has recovered from the catastrophic damage inflicted by the war. Russia with her enormous man-power and vast mineral resources may well in 30 or 40 years overtake and even dominate the West if she is allowed to build up a similar preponderance. Unless Britain takes speedy action she seems doomed to sink in wealth and influence to the level of Portugal within a generation.

28th December, 1955.

C.
CONFIDENTIAL

C.P. (56) 2
3rd January, 1956

CABINET

ANGLO-SOVIET RELATIONS

NOTE BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

In C.P. (55) 197 my colleagues were given a selection of texts of statements made by Mr. Bulganin and Mr. Khrushchev in India and Burma. I now circulate, for the information of my colleagues, a selection of excerpts from the speeches made by the two Soviet leaders since their return to Moscow.

S. L.

Foreign Office, S.W. 1,
2nd January, 1956.

ANNEX

EXCERPTS FROM STATEMENTS BY MR. BULGANIN AND MR. KHRUSHCHEV AT MOSCOW AIRPORT ON 21st DECEMBER AND TO THE SUPREME SOVIET ON 29th DECEMBER

1. Mr. Bulganin's speech at Moscow Airport on 21st December.—Text taken from Soviet News published in London by the Soviet Embassy.

"Not everyone seems to like this, however. Our trip and our statements, particularly those of Nikita Sergeyevich Khrushchev, have not only earned the enthusiastic welcome of our friends, but have also incurred the heated indignation of the reactionary press and of some most respectable public leaders and statesmen of the western nations, particularly in Britain. The only thing we can say is this: They do not like our sincere pronouncements about their policy of colonialism, nor do they like our friendship with India, Burma and Afghanistan, but we like this friendship very much and it suits us perfectly. This friendship of the peoples has strengthened the front of peace-loving nations, has welded it still closer. The front of peace loving-nations has become still stronger. It will become stronger still and we feel sure it will triumph!"

2. Mr. Khrushchev's speech at Moscow Airport on 21st December.—Text taken from Soviet News published in London by the Soviet Embassy.

"The peoples of India, Burma and Afghanistan received our words with approval because they were words of truth.

"But with what frenzied hatred those words were received by some leaders of bourgeois countries, and especially by the reactionary organs of the press!"

"This hatred is quite understandable. The colonial system is collapsing. It is already bankrupt in Asia. The peoples of a number of countries—the Korean
Democratic People's Republic, the Democratic Republic of Viet Nam, the Republic of India, the Union of Burma and others—have cast off the colonial régimes and are consolidating the national independence of their States . . . .

“The colonial régimes are a disgrace to humanity of the present day. We have said this and we shall never cease to reiterate it as long as colonialists exist.”

3. Mr. Bulganin’s speech to the Supreme Soviet on 26th December.—Text taken by the B.B.C. Monitor from Moscow Radio’s broadcast of the TASS version in English.

The Soviet Policy for Peace

“The closing year will go down into history as one of a definite shift in the strained international situation which has developed over the past period. This shift is due, in large measures, to the efforts of the Soviet Union directed towards ensuring the peace and security of the peoples, promoting international confidence and developing extensive political, economic and cultural contacts between countries whatever their social and political systems. For Soviet foreign policy the year 1955 has been one of particularly active and persistent struggle for the consolidation of peace, for the relaxation of international tension, for wider co-operation between peoples and nations. No one can (deny) today that the efforts the Soviet Union has made in this direction have been crowned with notable success . . . .

Colonial Oppression in Asia

“For centuries the population of many Asian countries have been subjected to severe colonial oppression, and some peoples are still subjected to it. In an effort to justify their policy and their domination over the peoples of Asia, the colonisers have tried and are still trying to prove these peoples to be culturally and socially backward. One should not forget, however, that the historical development of the peoples of Asia had begun long before the European peoples emerged on the historical arena. And if the social and political progress of Asia was slowed down and held back for the past few centuries, this has come about through no fault of the peoples of Asia, but through the fault of the colonisers who have planted in the countries of Asia, and not only in Asia but in Africa just as well, a system of government based on violence, robbery and ruthless exploitation of the population. This system brings fabulous wealth to the colonisers, but for the oppressed peoples of Asia and Africa it spells poverty and great suffering . . . .

“The peoples of great India and those of Burma have shaken off the yoke of colonial rule. These peoples, inspired as they are by the striving for the regeneration and rejuvenation of their countries, have now entered the phase of independent economic and national development. The road to freedom and independence has been taken by Indonesia and a number of other Eastern countries. The movement for strengthening national independence is growing in scope in the Arab countries. The people of Africa are active in their fight for liberation . . . .

The British Record in India

“For the British colonisers, who ruled India for about two centuries, this rich country has been an agricultural and raw materials appendage of the metropolis, a market for manufactured goods. The British were not, naturally, anxious to develop Indian industries. This is the way of all colonisers whose objective is to squeeze as much profit as they can out of the colonies, giving nothing, or next to nothing, in return. The people of India, having rid themselves of colonial oppression and regained their independence, have set about developing their country’s economy under the leadership of their Government . . . .

Acceptance of the Five Principles

“In that historic document of great international importance (the joint statement by Mr. Nehru and the Soviet leaders), both Governments reaffirmed their allegiance to the principles of respect for each other, territorial integrity and sovereignty, non-aggression, non-interference in each other’s internal affairs, for whatever reason—economic, political or ideological, equality and mutual benefit, peaceful co-existence. These principles are a reliable basis for peaceful co-existence
The Soviet Government considers that the acceptance of these principles by other countries, including the United States, Britain and France, would contribute to the further easing of international tension and promoting the necessary confidence between the nations.

**S.E.A.T.O. and the Bagdad Pact**

"The Peoples of the Asian and African countries cannot but feel alarmed over the establishment of such aggressive military alignments as S.E.A.T.O and the recently-designed Bagdad Pact. The S.E.A.T.O. has been engineered by the United States, Britain and France. As for the Bagdad military grouping we know well that it was Britain who played the first fiddle in whipping it up. The Bagdad Pact is a manifestation of colonialism in a new form. It is aggressive in essence, which is shown by the nature of the commitments of the parties to this military grouping. It became particularly evident after the drawing of Iran into this grouping.

**Kashmir**

"As for the Kashmir problem, it has been created by States which pursue definite military and political objects in this area. On the pretext of supporting Pakistan in the Kashmir question, certain countries try to entrench themselves in that part of India in order to threaten from there areas around Kashmir and to exert pressure on them. Attempts have been made to sever Kashmir artificially from India, to turn it into a foreign military base. The people of Kashmir have resolutely come out against this Imperialist policy. The Kashmir question has already been settled by the people of Kashmir. They consider themselves an integral part of the Republic of India and strive to build the fraternal family of Indian peoples the new independent India, to fight for peace and the security of the nations.

**The British Record in Burma**

"Burma has embarked on the road of independent national development as a result of the selfless struggle of the whole people against the centuries-old rule of the British colonialists, and then during the Second World War against the incursion of the Japanese militarists who ruthlessly robbed the Burmese people and looted their possessions. In the struggle for their independence the peoples of Burma have displayed resolution and heroism. The leader of the Burmese people in their struggle for independence, the popular hero Aung San, and his companions in arms fell at the hands of the enemies of national liberation. But the people have achieved their goal—they smashed the shackles of colonial slavery and created an independent State, the Union of Burma. Surmounting great difficulties, due to the consequences of colonial oppression and war destruction, the people of Burma undertook to restore and consolidate their country’s economy.

**British Imperialism and Afghanistan: Pushtunistan**

"The Afghan people won their national independence in a fierce struggle against the British Imperialists who tried to turn Afghanistan into their colony. The intrepid Afghan people thrice emerged victorious from this struggle and in 1919 finally asseverated their independence and statehood. An important part in the establishment of Afghanistan’s independence was played by the defeat of the interventionists in Central Asia by the Soviet State.

"In our speeches in Kabul we set forth our views regarding the Pushtunistan (Pakhtunistan) question, which greatly worries the Afghan people. Pushtunistan is a region inhabited by independent Afghan tribes. In 1893 the region was joined to the British Empire, and in 1947, contrary to the interests of the tribes inhabiting it, Pushtunistan was incorporated in Pakistan.

**The Western Reaction to the Soviet Leaders’ Speeches**

"However, not everybody liked our visit to the countries of Asia. Our speeches in India, Burma and Afghanistan, and the documents of friendship signed in Delhi, Rangoon and Kabul, evoked dissatisfaction and even the indignation...
of the reactionary press and official representatives of certain countries. They do not like our friendship with India, Burma and Afghanistan. But we like it very much, and we will strengthen it, just as we will strengthen friendship and co-operation with other countries. Certain Western statesmen dislike our frank statements regarding the colonialist policy. But we, just as the Asian and African peoples, dislike the colonial policy itself even more. We come out and will continue to come out against it because we hold that colonial regimes are a disgrace to present-day mankind and incompatible with the peaceful and democratic principles of the United Nations Organisation. During our trip statements appeared in the Western countries alleging that our visit to India, Burma and Afghanistan had the purpose of undermining relations between the peoples of these countries and the peoples of the Western States. Such assertions are absolutely groundless.

The Peaceloving Nature of the Soviet Union

"The Soviet people, led by the Communist Party of the Soviet Union, are engaged in peaceful constructive endeavours of building a Communist society, carrying out the sweeping plans of economic and cultural development and raising their living standard. We have not threatened and do not threaten anyone, and in the Soviet Union all the peaceloving peoples will always find a staunch fighter for peace and international co-operation."

4. Mr. Khrushchev's speech to the Supreme Soviet on 29th December.—Text taken by the B.B.C. Monitor from Moscow Radio's broadcast of the Tass version in English.

The Difference between Soviet and Imperialist Policies

"We knew that our visit to India, Burma and Afghanistan would arouse the dissatisfaction of the colonialists who fear that the consolidation of friendship between the Soviet Union and the countries which but recently were under their heel would tend further to weaken the positions of the colonial Powers. But Messieurs, the colonialists have only themselves to blame. It is generally known that the Soviet Union's principles of co-operation and friendship with other States radically differ from the principles upon which the colonialists policy is built. The Soviet Union, setting an example of profound understanding of and respect for the interests of all peoples and countries, big and small, proceeds from the premise that all peoples are equal and that there are no inferior peoples. . . . "

"In strengthening friendship with other States, the Soviet Union does not impose its will upon them, does not dictate any preliminary conditions, as the Imperialist States do. It does not seek any special advantages for itself but proceeds from the principle that it is dealing with equal partners whose interests must be respected. Every people has the right to arrange its life as it wishes. Enslavement or pillage of one country by another is the greatest injustice and disgrace. . . ."

Western Reactions to the Soviet Leaders' Speeches

"In certain countries, however, our trip was met in a very unfriendly and even frankly hostile manner by some people, including officials, and gave rise to virulent outbursts against us. This is true mainly of Britain and the United States of America. This line was taken up or, to be more exact echoed in other countries, Canada, for instance, where Foreign Secretary Mr. Pearson made a shortsighted statement. What is the reason behind this? We have been condemned, sermonised and subjected to other forms of censure because we, to their mind, have wronged the colonisers, because we have severely condemned this form of oppression and plundering of the peoples of the colonial and dependent countries by the imperialists. What then did we say about the colonialists and the colonial regimes? Why did our statements cause such a frenzy among the colonialists and their advocates? After all, the data we quoted is universally known and undeniable.

The British Record in India

"It is a fact, for instance, that the British colonialists—not the people, but precisely the colonialists—ruled in India for almost two centuries, that they oppressed for a long time the peoples of Burma and Afghanistan. What was the upshot of all this? I will take the liberty of quoting such an eminent authority
on this question as the universally esteemed Prime Minister of India, Mr. Jawharlal Nehru. He emphasises in his book ‘The Discovery of India’ that ‘the most obvious fact is the sterility of British rule in India and the thwarting of Indian life by it. Alien rule is inevitably cut off from the creative energies of the people it dominates. When this alien rule has its economic and cultural centre far from the subject country and is further backed by racialism this divorce is complete, and leads to spiritual and cultural starvation of the subject peoples.’ Characterising the consequences of the British rule in India, Mr. Nehru recalls the terrible famine which occurred in the country in the years of World War II. He writes: ‘This famine unveiled . . . . a picture of poverty and ugliness and human decay after all these generations of British rule. That was the culmination and fulfilment of British rule in India. It was no calamity of nature or play of the elements that brought this famine, nor was it caused by actual war operations and enemy blockade. Every competent observer is agreed that it was a man-made famine which could have been foreseen and avoided.’ It can be added to this that according to the Indian economist, Singh, author of the book ‘India’s Food Problem,’ India was ravaged by famine eighteen times during the last quarter of the 19th century alone: 26 million people died from starvation during this period. During the 20th century the scale of the famines grew even bigger. In 1943 alone 3,500,000 people died from starvation in India. Such are the facts. They do not speak in favour of the colonialists.

The British Record in Burma

‘Just as tragic was the fate of the Burmese people who experienced the domination of the British colonialists. As far back as 1824 Britain began the armed conquest of Burma which ended with the complete occupation of the country in 1885. Burma was ruled by a Governor-General appointed from Britain who held unlimited powers. During World War II Burma was occupied by Japan. After Japan’s capitulation in 1945, the British colonial authorities again returned to Burma and tried to re-establish their domination. However, the patriotic forces of Burma which had matured in the struggle against Japanese occupation, offered resolute resistance to them. In January 1948 the British imperialists were forced to grant independence to Burma.

Colonialism Founded on Force

‘The peoples of India, just as the peoples of Burma and Afghanistan, did not invite the colonialists so that they could plunder these countries. The colonialists established their domination in these countries as a result of aggressive and predatory wars. The territories of India and Burma were not uninhabited when the colonialists invaded them. They were populated by peoples who had their own highly developed cultures. It is known, for instance, that the culture of the Indian people, was not inferior to the culture of the European countries, Britain included. But India was weak militarily, and she had inferior armaments. Only for this reason she fell prey to the colonialists.

The British Forced Out of India

‘To-day, some apologists of the colonial régime say: ‘Don’t you see, we voluntarily granted freedom to India.’ This is, to put it mildly, a rather conditional explanation why the colonialists withdrew from India and acquiesced to the existence of an independent Republic of India. They were forced to agree to this because they had no other choice. If they had tried to remain in India, they would have suffered great losses but all the same they would have been swept out by the Indian people just as the Chinese people have expelled from China the colonialists of every shade and colour, and together with them the mercenary Chiang Kai-shek clique. The colonialists sometimes like to say that they played a great historic part in spreading civilisation. These fables are calculated for simple minded or exceptionally gullible people, who do not know history.

The Backwardness of Former British Territories

‘May be the British colonialists really raised the cultural level of the people in the countries they conquered, may be they helped these countries to build up their own industry, to develop science and to enhance the living standards of their population? No, they were gangsters in the full sense of the word. They robbed these countries and considerably retarded their development. I recall how during
our visit to a dairy farm in Bombay, Mr. Desai, Chief Minister of the Bombay State, bitterly said: ‘Everything was reduced to nil during the years of British domination, we were all but turned into barbarians in these two hundred years.’

The peoples of India, Burma and the other countries formerly dominated by the colonialists will have to exert great efforts to do away with the horrible consequences of colonialist rule. After all it is a fact that but recently more than 80 per cent of the Indian population and 63 per cent of the Burmese population were illiterate. It is also a fact that the living standards of the Indian population, whose exploitation brought fabulous wealth to the British capitalists, is considerably below that of Britain’s population. The same is true of Burma and the other countries which were lorded over by the colonialists for a long time. Wait a moment, the advocates of the colonial system may say to us, after all these countries were incorporated in the British Empire and enjoyed almost equal rights with Britain. But where is this equality then?

“We have found no traces of it. We saw that during the domination of the British colonialists they built magnificent palaces for themselves both in India and in Burma. They provided conditions for a group of turncoat feudals, and supported them. But the multi-millioned Indian people was placed in an inferior position and ruthlessly exploited. It is natural therefore that the Indian people could not reconcile themselves to such a situation. The Indian people and all the fighters against the colonialist rule in India led by such outstanding people as Gandhi, Nehru and other leaders played an important part in the achievement of political independence. Of course, we sympathised with their struggle and, rejoiced at their successes and have given them their due for the courage displayed in this struggle."

Soviet Friendship for the British People

“Now we are told that by coming out against the colonialists, by exposing their predatory policy, we have displayed some sort of unfriendliness with regard to Britain and other countries, although we did not name these other countries, and even Britain was rather rarely mentioned by us. However, we do not want to play hide and seek. We know, as all the world does, who were the colonialists in India, Burma and Afghanistan, it is true that speaking about the unseemly role of the colonialists, we had in view the British colonialists. But the colonialists are not all of Britain or her people. The British colonialists will never get the right of equating themselves with the people of Britain. Our statements contained nothing that could in some way offend Britain or the British people. We profoundly respect the talented and industrious British people and want to be friends with them. We said nothing insulting or offending about the British Government either. But we condemned and condemn the colonial system and think that the sooner it will be ended the better because it is a profoundly unjust and misanthropic system. The sooner the colonial nations get rid of it, the better. We are the most sincere friends of those who are fighting colonial slavery and colonial dependence (applause). We will rejoice at and acclaim the abolition of colonial régimes. I think that the majority of the British people will also acclaim this . . . .

The Struggle Against Colonialism in Africa

“The colonialists still have many colonies. Take for instance Africa. It is all divided between European and non-European countries. There are different ways, and different methods of conducting the colonialist policy, but this does not make the letters of colonial slavery any lighter. These fetters strangle the peoples of the colonial and dependent countries and arouse their hatred against the colonialists. The peoples of these countries are rising up ever more resolutely in struggle against the colonial régimes. We sympathise with this struggle and wish success to the peoples who are waging it. It is simply surprising how certain short-sighted politicians accuse us of unfriendliness towards Britain or the United States and say that we allegedly want to put these countries at logger-heads with India, Burma and other countries. They themselves commit unfriendly acts with regard to these countries . . . .

Kashmir

“During the stay of Nikolai Alexandrovich Bulganin and myself in Kashmir, we clearly and definitely stated what the Soviet people think about this question,
that this question was not raised by the people, but was artificially fanned by certain States which are trying to incite enmity among the peoples. We learned in Kashmir that the people regard their territory an inalienable part of the Republic of India. The Kashmir people have settled this question irrevocably and we are deeply convinced that they will be able to adjust their own affairs to the end without foreign interference, regardless of whether or not this is to the liking of those who would like to create a seat of unrest and international friction in Kashmir.

The New Form of Colonialism: Pacts and Economic Aid: Persia

"To-day the colonialists have decided to change the forms of their colonial domination. They use less and less such crude forms of violence as the sending of troops to colonial countries and other acts of rude intervention in the affairs of the enslaved countries. They do all this more cleverly now: they bribe people who are in power, implant 'good Governments,' and are building up aggressive blocs, such as the Bagdad Pact. They allot money for so-called 'economic aid,' give arms 'free of charge' to some countries. But as pay for these arms the States getting them must provide the colonialists' gun fodder, and set up big armies, thereby exhausting their peoples. . . .

"This aid which the capitalist countries intend to render to States who recently won their independence cannot but be regarded as indirect help by the Soviet Union to these countries. If there had been no Soviet Union would the monopolist circles and the Imperialist States render help to the under-developed countries? Of course not. This has never happened before. But as I have already said, the so-called 'free' aid in the capitalist understanding of the term can actually bring about the enslavement of those to whom it will be rendered, if the countries in question accept it indiscriminately. Mr. Macmillan, ex-Foreign Secretary of Britain, reviewing recently the Conservative Government's achievements, declared among other things that this Government had attained a satisfactory settlement with Persia, with the result that Abadan oil started flowing to Britain in a wide stream. But this is the wealth belonging to Persia that is flowing. This is gold flowing from Iran into the safes of British, American, Dutch and French banks. And this at a time when the people of Persia are in dire straits. Giving 'aid' to Persia, they are taking Persian oil for a song and coining profit out of it, out of the hunger and poverty of the Persian people. We are not telling the Asian peoples: do not take the aid which American and British monopolists are offering you. But we honestly warn them that they have to be careful about such 'aid' because the monopolists do not give anything for nothing. The capitalists give nothing free of charge. Capital cannot exist without profits. . . .

Desire for Co-existence with the Western Powers

"We have always sincerely striven and are striving for friendship with all countries, including the capitalist countries. We should like to live in friendship also with the most powerful capitalist countries—the United States, Britain and France. Should we achieve this, and it depends mainly not on us but on the Governments and the peoples of the United States, Britain and France, that would create conditions for genuine peaceful co-existence and competition of the two systems. Unfortunately, we have not achieved it as yet, but we do not give up hope and we shall be unsparing in our efforts in this direction.

The Geneva Spirit and the Geneva Record

"Some foreign leaders and also some most unscrupulous bourgeois journalists, discussing the results of our trip to India, Burma and Afghanistan and analysing the statements we made in those countries, are accusing the USSR of giving up the 'Spirit of Geneva.' This is not true. We have taken a most active part in the important contribution to the relaxation of world tension which resulted from the meeting of the Heads of Governments of the Four Powers in Geneva.

"We have to admit, unfortunately, that the representatives of the Western Powers at the Summit Conference did not go beyond unctuous words in favour of a relaxation of international tension. This is particularly true of their Foreign Ministers who proved unwilling to work in real earnest and to apply themselves to achieving the aims set for them by the Heads of Government. This shows that the Governments of the Western Powers, having delegated their plenipotentiaries
to the Heads of Government Conference, did not want the questions on the
conference agenda to be settled practically. By going to that conference they
were making a concession to public opinion which brought pressure to bear on
them. . . . .

That is why, immediately upon the conclusion of the Heads of Government
Conference, those who manufacture the means of annihilation, and those who
do their bidding and hold leading positions in capitalist States, made no attempt
at all to develop and spread the Geneva spirit, but instead sought to nip it in
the bud. . . .

European Security and Germany

The safeguarding of European security is the most burning issue of the day.
On the settlement of this issue the solution of other international problems depends.
You know, however, that our partners to the talks—the United States, Britain
and France—oppose the German problem to this issue. . . .

The advocates of this position do not conceal that there is but one purpose
behind this military combination and that is to strengthen the camp of NATO
countries and to build up such superiority on their side as to force the USSR and
the people's democracies to knuckle under to them and to accept their terms.
Fine 'Security.' Every soberminded person will understand that plans like this
are not destined to come to fruition. . . .

Warning to Britain and France: Possibility of Collaboration with them on
European Security

If we assume for a moment that the utterly unfeasible dream of bellicose
United States leaders to incorporate a united Germany in an aggressive bloc were
realised, the French and British would hardly have peace of mind. The German
revenge-seekers would have their hands free. They would act in their usual way
and, of course, France would be a tempting morsel for them. We speak about
this not because we want it to be so. No, we will do everything to prevent it
from happening. But the experience of history teaches us that such a danger
exists, all the more so since France is weaker than the Soviet Union and the people's
democracies, and so is Britain. Therefore we sincerely wish that we should be
correctly understood both in France and in Britain. . . .

In this connection I would like to recall that the proposals made in Geneva
by the Prime Minister of France, M. Faure, and the Prime Minister of Britain,
Mr. Eden, provide a basis for negotiations aimed at safeguarding security in
Europe. Agreement on this question would facilitate the solution of other major
problems, including disarmament. . . .

Soviet Strength: Moral and Technical: Sir Winston Churchill's Views

I cannot but mention in passing that of late some Western statesmen display
a strange understanding of the Geneva spirit, to say the least. They want the
Soviet Union to disarm its army unilaterally, they also want us to disarm morally,
spiritually and ideologically. Talk on this subject is nothing new, and it is not
the first year that it has been going on, although life has on many occasions taught
bitter lessons to those who sought to dictate such terms to the Soviet Union. . . .

The Soviet Union trains many more specialists than Britain, France, Italy,
and the other capitalist countries of Western Europe taken together. No wonder
that such an active opponent of communism as Mr. Churchill who not only prayed
for the restoration of the capitalist régime in Russia, but wanted to re-establish it
in Russia by force of arms, now has to admit in the training of specialists the
Soviet Union has left the capitalist countries far behind. This upsets Mr. Churchill,
but gladdens our hearts. . . .

Quotation from Lord Chorley: Western Responsibility for Failure at Geneva

The most farsighted and soberminded politicians of Britain, the United
States and France understand that the position taken of late by certain circles in
the Western countries contradicts the 'Geneva Spirit.' For example, I will refer to
the recent statement by Lord Chorley who agreed that the Western Powers bear
a great responsibility for the unsuccessful outcome of the Geneva Foreign Ministers'Conference. Chorley said that in his opinion the theory that the Western Powers
held a monopoly of reason, held no water. . . . I must note, in passing, that
we do not argue this. He said that actually they pursued a policy which, in his opinion, was almost an obsolete 'Policy of Strength'. On the other hand, he thinks that the Soviet Union has made several important concessions and has pursued a much more flexible policy, resulting in considerable achievements. One cannot but agree with this assessment.

Violation of the Geneva Spirit: the Baghdad Pact; Persia; Jordan

"Attempting to lay the blame at somebody else's door and to accuse us of violating 'The Geneva Spirit,' certain bourgeois journalists refer to my statements and the statements of our other Government and political leaders. They complain that in our statements we say that the teaching of Marxism-Leninism will triumph. But is that a violation of the 'Geneva Spirit'?"

"Thus, the facts show beyond all doubt that it is not the Soviet Union but its Geneva Conference partners who are violating the 'Spirit of Geneva'. Let us take some more examples. It was even before the ink had dried on our joint statement on the results of the Geneva Conference that our partners in it began drawing more countries into the aggressive Baghdad Pact—they dragged Iran into it and are forcing other countries to follow suit. . . ."

"A few words should be said in connection with the Baghdad Pact about the situation in the countries in the Near and Middle East. The sponsors of the Baghdad Pact are known to be moving heaven and earth to inveigle the Arab nations into this aggressive bloc. But they are coming up against the mounting resistance of the people of those nations. Soviet public opinion is following sympathetically the valiant struggle of the people of Jordan against the attempts to force their country to join the Baghdad Pact. . . ."

Israel

"It is the well-known Imperialist Powers who are backing those that are carrying out this policy. They are seeking to use Israel as their tool against the Arab peoples, calculating to exploit ruthlessly the natural wealth of that area. At a time when the Western Powers are carrying on the arms drive policy and are hammering together aggressive blocs, the Soviet Union is pursuing consistently and firmly its peaceloving policy and strengthening friendship with all peoples who desire it for the sake of promoting peace and security. . . ."
CABINET

SERVICE PAY

Memorandum by the Minister of Defence

The Government have announced that a general review of Service pay is in hand and that decisions will be announced when Service Estimates are presented.

2. Discussions with the Chancellor of the Exchequer have shown that as regards objectives there is no great difference of opinion. There is, however, disagreement on what is necessary to achieve those objectives.

3. There are three main aspects of the problem:

(1) The pay of regular other ranks

(2) The pay of officers

(3) The pay of national servicemen

Regular other ranks.

4. At the present time far too few young men are making the Services their career. We must strengthen the regular element of the Forces. This is essential if we are to avoid a continuing and dangerous deterioration in the efficiency of all three Services.

5. With the exception of the Royal Navy, where the minimum regular engagement is 7 years, most regular recruits do not commit themselves initially for more than 3 or 4 years. A very small proportion (6 per cent in the case of the Army), extend for a further period of service.

6. If we are to build up our regular strengths, we must persuade many more young men to commit themselves on enlistment to remain with the Forces for much longer than 3 years and preferably for 9 years. The Chancellor of the Exchequer agrees that we must offer financial attractions to secure this objective. But we differ as to the amount.

7. At present, a regular member of the Forces, on enlistment, receives in cash 7s. a day, or 49s. a week. After about 2 years, at about the age of 20, when he has become a trained man (R.N., Able Seaman; Army, 3-star Private; R.A.F., Leading Aircraftman), he receives 9/6d. a day, or 66/6d. a week. These rates were fixed in September, 1950. In March, 1954, certain selective pay increases were granted to technicians, non-commissioned officers and men of long service.
Originally the Service Departments proposed that the recruit's rate for a man who enlisted for 3 years should be 12s. a day, and for one who enlisted for 9 years should be 15/6d. a day. The corresponding trained man's rates were 15s. a day and 16/6d. a day. In the course of discussions with the Treasury this claim was abated and the Chancellor of the Exchequer offered an improvement on his original counter-proposals.

The present position is:

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Service Claim</th>
<th>Treasury Offer</th>
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<tr>
<td>9-year</td>
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<td></td>
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<tr>
<td>Recruit</td>
<td>14s.</td>
<td>12s.</td>
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<tr>
<td>Trained man's rate</td>
<td>13s.</td>
<td>15s.</td>
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<tr>
<td>3-year</td>
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<tr>
<td>Recruit</td>
<td>10s.</td>
<td>9s.</td>
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<td>Trained man's rate</td>
<td>13s.</td>
<td>11/6d.</td>
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Our revised proposals for regular other ranks would cost about £52.0 millions a year. The cost of the Chancellor of the Exchequer's revised offer is estimated at about £34 millions a year.

It is agreed that, in the interests of regular recruiting, increases in pay for national servicemen should be kept to the minimum which is politically defensible. At present such a man receives 4s. 3d. a day, or 28s. a week, on enlistment, rising in most cases to 6s. a day (42s. a week) or more after about 12 months' service. The recruit's rate has not been increased since 1946. To increase the rates of pay of all national servicemen by an average of 1s. a day would cost about £5 millions a year. To give no increase to men under 21 years, and to give those of that age or over an increase in pay of about 1s. a day and improved rates of marriage allowance would cost about £2 millions a year.

The improvements offered by the Chancellor of the Exchequer would cost about £10 millions a year. Our original proposals would have cost £21.3 millions a year. Our revised proposals would cost £10.3 millions a year. The following example indicates the measure of the difference between us. We propose for an Army Captain an average increase of 12s. a day. The Chancellor offers 7/6d. a day.

W.,M.

Ministry of Defence, S.W.1.

CABINET

IMPERIAL COLLEGE OF SCIENCE AND TECHNOLOGY

MEMORANDUM BY THE CHANCELLOR OF THE EXCHEQUER

The development of the Imperial College on the island site at South Kensington is in the forefront of the Government's plans for the expansion of technological education in the universities. Our intentions were announced in January 1953 and have been several times reaffirmed in Parliament. We are committed by these statements to give Imperial College the rest of the island site as it can be made available.

2. Preparations are already in hand to move from this site such bodies as the Museums; and the Home Affairs Committee have recently decided that the Imperial Institute should be moved from the site to a new building, to be provided by the Government (H.P. (55) 18th Meeting, Item 1).

3. There remains a single issue to be decided—whether the Collcutt Building should be demolished to make way for new College buildings; or whether it should be preserved and taken over by the College for academic use. The Home Affairs Committee were not agreed on this issue, and I, therefore, bring it before the Cabinet.

4. The Royal Fine Art Commission wrote to the Treasury in June 1955 recommending that the Collcutt Building should be preserved and asking the Government to review its proposals in order to achieve this; and a similar view has been expressed in other quarters also. At the Home Affairs Committee some Ministers felt that the possibilities of preserving it as a part of the Imperial College should be further considered. There has however already, both before and after the receipt of the Fine Art Commission's views, been exhaustive examination of this alternative.

5. The plans submitted by the College in 1954 envisaged intensive development of the site to provide, in its central area, some 610,000 square feet of floor space. Retention of the Collcutt Building would mean the loss of 250,000 square feet of this space—roughly 18 per cent. of what ought to be available when the whole site has been developed, and more than 40 per cent. of the central area. Because it is planned in a manner wasteful of space, occupation of the Collcutt Building would, in the view of the College authorities, offset only some 55,000 square feet of this loss. Though this may be a conservative estimate, retention of the Collcutt Building means the loss of between four and five times as much space as it can itself provide.

6. The overriding consideration must surely be the effect on student numbers. The loss of floor space involved in the retention of the Collcutt Building would make it necessary to reduce the number of students at Imperial College by 360, of whom 270 would be postgraduates and 90 undergraduates. This is about one-quarter of the whole planned expansion; and in terms of output, it represents about 200 technologists a year from postgraduate courses and 30 with first degrees in technology.
7. The University Grants Committee, who are our advisers in these matters, have gone carefully into this problem, and they are convinced that a curtailment of the Imperial College expansion (or any delay in carrying it out) such as would result from incorporating the existing Collcutt Building in the College would seriously damage the Government's plans for expanding higher technological education. The main loss would be in a form of technological education to which the Committee attach great importance and which they regard Imperial College as particularly well qualified to undertake, namely, postgraduate courses of instruction designed to train technologists of the highest quality. Most of the new postgraduate students we should lose would be taking such courses. In face of this advice, we ought not to interfere with the College plans except for the most compelling reasons.

8. It was suggested at the Home Affairs Committee that we might meet our obligations to the College by providing it with an additional site elsewhere. This possibility was, however, fully examined last summer by the Home Affairs Committee, and it was investigated by the Interdepartmental Official Committee which examined some tentative suggestions put forward by the Royal Fine Art Commission for providing College accommodation and thus enabling the Collcutt Building to be preserved. It was established that all known sites which might be suitable are zoned for residential purposes. They could not be diverted to other uses under existing powers, and legislation would be necessary. A site to make up the space lost by retaining the Collcutt Building would have to be in the immediate neighbourhood of the main site, if the College were not to lose efficiency through dispersal.

9. We have recently been criticised, in both Houses and from both sides, because of slow progress with the Imperial College development. Moreover, the Chairman of Governors (Viscount Falmouth) is to ask on 25th January whether we have yet come to a decision which will enable the College to carry out its full expansion "in accordance with the announcement made by Her Majesty's Government on 29th January, 1953."

10. I am aware that a decision not to preserve the Collcutt Building may involve difficulties with the Royal Fine Art Commission and criticism from some sections of the public (even though the public generally are not normally enamoured of Victorian work); but I am also sure that any retreat from the original Imperial College plan would be much more dangerous and controversial, and would raise doubts about our determination to go forward vigorously with the development of technological education in the universities. It would also cause great further delay to the execution of the project, because substantial replanning would be necessary; and delay would be deplorable in the light of national needs.

11. I recommend that we should adhere to the existing plan for the development of the College, and should decide now that the Collcutt Building should be demolished; and that a letter should be written to the Royal Fine Art Commission stating that the Government have carefully and sympathetically reviewed the whole matter, and explaining the reasons for their conclusion.

H. M.

Treasury Chambers, S.W. I.,
CABINET

REDISTRIBUTION OF SEATS

MEMORANDUM BY THE SECRETARY OF STATE FOR THE HOME DEPARTMENT, AND THE SECRETARY OF STATE FOR SCOTLAND

The Cabinet authorised us on 22nd September to inform the Speaker of the Government's intention to introduce legislation to amend the House of Commons (Redistribution of Seats) Act, 1949, (C.M. (55) 33rd Conclusions, Minute 3).

2. This we have done, and we have now received from the Speaker a letter agreeing with the proposed amendments, but asking that he should be relieved of the chairmanship of the Boundary Commissions. A copy of the Speaker's letter is attached (Annex A).

3. Under Part I of the First Schedule to the Act of 1949 the Speaker is Chairman ex officio of each of the four Commissions. The English Commission consists in addition of the Registrar General, the Director-General of Ordnance Survey and two other members, one appointed by the Secretary of State and the other by the Ministry of Housing and Local Government. The Scottish, Welsh and Northern Irish Commissions are similarly constituted. In each case one of the appointed members is nominated by the Speaker as Deputy Chairman.

4. We are satisfied that there is no adequate substitute for the Speaker as Chairman of the Commissions, and in particular, that his suggestion that he should be replaced by a revising committee of Members of Parliament is not satisfactory. We think therefore that the Speaker should be pressed to reconsider the matter, and we propose to write to him in the terms of the attached draft (Annex B). We should be glad to have the authority of the Cabinet for doing so.

G. LL.-G.
J. S.

4th January, 1956.

ANNEX A

Letter from the Speaker to the Home Secretary

Dear Home Secretary,

8th December, 1955.

I have considered the attached memorandum on the Redistribution of Seats, which was kindly forwarded to me by your office. I think that the suggested amendments to the Statute would remove most of the difficulties which were disclosed in the debates on the Commission's last Report.

It is quite clear that the inclusion of the Speaker as Chairman of the Commission has not removed the Reports from the field of Parliamentary criticism and therefore difficulties might arise in debate which might do harm to the authority of the Chair. Further, Members have access to me, and it might be difficult to convince other candidates that sitting Members would derive no advantage from this privilege. I must, therefore, ask for an amendment to be included in your proposals which will sever the Speaker's connection with the Commission.

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With the removal of the Speaker as Chairman, the Commission would then become a Commission of officials, which is, in my opinion, the ideal body for fact finding and for carrying out the routine adjustments necessitated by local government boundary changes. However, when it comes to the periodical review something more is required, and I would suggest that the Commission's Report should stand referred to a Statutory Committee consisting of the Speaker as Chairman and four other Members of the House of Commons to be elected by the House at the beginning of each Parliament. This body would consider the Commission's Report and make their report on it to the Home Secretary, who would be obliged to lay the Commission's Report and the Statutory Committee's Report on the Table before or when tabling his own proposals.

The advantage of this two-tiered procedure is that the Boundary Commission would find the facts and make their recommendations strictly in accordance with those facts. It would be for the Statutory Committee to consider what variations in the Report, common sense, the convenience of electors and political considerations might make desirable. I do not think my chairmanship of such a body (making only unanimous Reports) would be open to the objections mentioned in my second paragraph which have already arisen under existing arrangements, and might become more acute in certain circumstances.

Yours sincerely,
(Sgd.) W. S. MORRISON,
Speaker.

ANNEX B

Draft Letter to the Speaker from the Home Secretary

The Secretary of State for Scotland and I are most grateful for your letter of 8th December about the redistribution of seats. We are very glad to note that you agree that our suggested amendments would remove most of the difficulties that have arisen under the Act of 1949.

2. We had previously considered your own position as Chairman of the four Boundary Commissions, and we have now given most earnest consideration to what you say on the subject. We have submitted the matter to the Cabinet, and this letter expresses not only our personal views but those of the Government.

3. We entirely agree with your view that the existing Commissions without the Speaker as Chairman would be inadequate; and I am very sorry to say that the suggestion which you make to fill the gap does not appear to us to be altogether satisfactory or workable.

4. We think that there would be great difficulty in constituting the proposed committee. We agree that it should be small; but there would be no room on a small committee for representation of minority groups, and this would impair public confidence in it.

5. Would Ministers be eligible to sit on the committee? Any Opposition would be likely to object to this, on the ground that the committee should be as far as possible independent of the Government. But this would give the Opposition an advantage if they were free to put their leading men on the committee. On the other hand a committee composed exclusively of back-benchers would be unlikely to possess the necessary authority or experience.

6. How would the proposed committee work? Would the Boundary Commissions' reports be published before they were referred to the committee? If so, everyone would regard the committee as a court of appeal, and its members would be under great pressure from their Party colleagues in a way that would make it extremely difficult for the committee to work effectively or impartially. Even if the Commissions' reports were referred to the committee before publication, this difficulty would not disappear, because the local publication of the Commissions' provisional recommendations—including the publication of revised proposals under our proposed amendments—would give everyone a good idea how the wind blew.

7. Your suggestion somewhat resembles a proposal that the Boundary Commissions should include Members of Parliament, which was considered and
rejected by the Departmental Committee on Electoral Machinery, whose report (Cmd. 6408 of 1942) provided the material on which the Speaker's Conference of 1944 made the recommendations which were given effect in the original Redistribution of Seats Act of that year. I enclose a copy of the paragraphs of the Committee's report discussing this proposal and their recommendation that the Speaker should be Chairman of the Boundary Commissions (Appendix). Experience makes it necessary to qualify some of the Committee's arguments; but substantially their conclusions appear to us to stand.

8. Assuming for the moment that the job could be divided between the Commissions and the proposed committee in the manner you suggest, would the committee be bound by the same statutory rules as the Commissions? It seems to us that they must act on the same principles, or chaos would result. In any event the committee would have to be given some statutory guidance, and we find it hard to envisage what guidance could be given other than the rules.

9. Could the committee be expected to do a proper job unless it had ample technical assistance in considering the Commissions' recommendations? Would it not have to have the full support and assistance of the Commissions and their staff? And would not the committee thus become a sort of extension of the Commissions?

10. But is the suggested distinction between fact-finding and forming final judgments practical anyway? It seems to us that in practice the two processes must be inseparable. Does not the suggestion that the Commissions should be confined to fact-finding greatly under-estimate their task? They already have wide discretion in many respects, calling for the exercise of high qualities of judgment, in particular by the Deputy Chairman. Our proposed amendments would add to the Commissions' discretion, and consequently to the responsibilities falling on the Deputy Chairmen.

11. Does it not follow from these considerations that your suggestion in practice would simply amount to placing in commission the Speaker's existing function in relation to the Commissions? We think that this would be unsatisfactory, for two reasons in particular. First, the politically experienced guidance which the Commissions require should be available to them at need throughout all stages of their work, and should not merely be applied at the end, after the Commissions have first considered the general principles on which they should proceed, have then taken account of objections to their provisional proposals, and have finally formed their own conclusions. Secondly, the guidance of a committee could not be as freely sought or given as that of an individual: a committee which could do nothing unless it were unanimous (we agree that this would be an essential condition) would be no substitute for the wise personal guidance which the Speaker alone could give.

12. An underlying principle of the present Act is that the working out in detail of a scheme of redistribution is not a job for politicians, but for a completely independent and impartial body of high standing, whose recommendations should be submitted as a whole to Parliament to accept or reject. To introduce at some stage revision by a committee of politicians would be contrary to this principle and would, we think, be a step backwards. Moreover it would inevitably lower the standing and authority of the Commissions. This would be entirely contrary to the intention of our proposed amendments and would be in every way unfortunate.

13. The Boundary Commissions, and their Deputy Chairmen in particular, undoubtedly need experienced political guidance, and our conclusion is that for this purpose no individual or committee could replace the Speaker. We do not overlook the embarrassment which you felt during the debates last winter, and we cannot expect that the Boundary Commissions' proposals will never again be controversial. But we think it is reasonable to expect that the controversy will not again assume the bitter Party character that it had last winter. This was due to the wholly exceptional fact that in 1948 changes were made to the recommendations of the English Commission which were inconsistent with the statutory rules, and the rules themselves were not amended, with the result that in 1954 the Commission had to reverse some of those changes to conform with the rules, and this had to be done under a Government of a different complexion.

14. We do not believe that the authority of the Chair was even temporarily damaged as a result of last winter's controversy; and we see no reason to fear that it might suffer appreciable harm on another occasion.
15. The effective functioning of the machinery of redistribution, through the agency of impartial Commissions of the highest possible standing, is a matter of great importance, and the Government's considered view is—reluctant though we are to press it on you—that the Speaker can make a unique contribution to it. We feel compelled, therefore, to ask you to consider the matter again in the light of the arguments set out above; and we very much hope that you will feel able to agree that the present constitution of the Commissions should not be altered.

APPENDIX

EXTRACT FROM REPORT OF THE COMMITTEE ON ELECTORAL MACHINERY
DECEMBER, 1942

101. Such a Commission would, however, be incomplete and ineffective, in our opinion, unless its membership comprised an element securing contact with the Legislature and authoritative experience of the Parliamentary system. The actual proposals of the Commission would require to be guided by such contact and experience. Further, its proposals, however sound, would need to carry with them, when presented to Parliament, the weight implied by their preparation under such guidance and control. Otherwise we have no doubt that proposals reaching Parliament would necessarily be subjected to debate, criticism and amendment in detail, and the main objective of removing the subject of redistribution from the political arena would be defeated.

102. We have considered very fully the form in which this element might be provided, including the possibility that the Commission might comprise Members of Parliament appointed or nominated from time to time to represent the principal political Parties. Apart from the difficulty (inter alia) of maintaining fair balance of political opinion, we believe that such political members would find it impossible to divest themselves of their Party allegiance in regard to any features of redistribution proposals which affected Party interests. The result would inevitably be, as we see the matter, the occurrence of frequent deadlocks, or of majority decisions which would go far to deprive the Commission's recommendations of any inherent validity or authority.

103. We are accordingly convinced that the Parliamentary element must be of a non-Party character. This has led us inevitably to the Speaker of the House of Commons ex officio, whose great experience and authoritative non-Party status would render him as Chairman the ideal source of guidance and control over the Commission's recommendations. We have the example before us of the late Speaker's chairmanship of the Boundary Commissions of 1917; and we have noted the acceptance by Parliament of the Reports of those Commissions in view of the assurance attached to them, not only of their complete impartiality, but also that no considerations of Parliamentary importance had been disregarded. We suggest, moreover, that the function of maintaining the equal representative status of Members of the House of Commons approaches so nearly to a vital domestic concern of the House itself that there is special propriety in placing the machinery of a permanent Commission under the presiding genius of the Speaker.

104. We appreciate the heavy burdens already sustained by a Speaker of the House of Commons; but it would seem unnecessary that he should occupy the Chair of the Commission except on special occasions or when in his opinion the business to be transacted required this course. We think that the parent Act should designate one of the departmental members as Vice-Chairman of the Commission and that the Vice-Chairman should preside at any meetings of the Commission convened to deal with purely administrative matters, prior to the stages at which conclusions could be reached and proposals adopted by a session or sessions presided over by the Chairman.
CABINET

REMEmBRANCE SUNDAY

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

In 1946 consultations took place under the chairmanship of the then Home Secretary with representatives of the Churches in England and Scotland, of the British Legion and of the Departments concerned on the question of the selection of a National Day of Remembrance for both Wars.

2. The then Prime Minister announced that His late Majesty King George VI had approved that Remembrance Sunday, when the dead of both Wars would be honoured, should be celebrated on Sunday, November 11th, or Sunday, November 12th, or if neither of those dates is a Sunday, then the Sunday before November 11th (Official Report, 19th June, 1946, cols. 179-80).

3. During the past ten years, Remembrance Sunday was observed on the first Sunday in November in 1948, 1949, 1954 and 1955; and on the second Sunday in the other years.

4. Early this year the Archbishop of Canterbury suggested that the choice of the date should be reconsidered, because the present arrangement interferes in some years with the observance of All Saints' Tide; also, it gives rise to confusion because many people do not understand the rule on which it is fixed. Both Convocations had asked him to propose that the date should always be the second Sunday in November. The same suggestion has been made independently by the Church of Scotland. The effect of the change would be that Remembrance Sunday would be the Sunday falling between 8th and 14th inclusive (in place of 6th and 12th) and so would never fall on November 6th or November 7th, which are within the octave of All Saints' Day.

5. If the proposal is adopted, the first year in which any change would occur would be 1960, since the effect of the existing rule would be that Remembrance Sunday would be observed in the intervening years on the second Sunday.

6. We have ascertained in confidence the views of the leaders of the principal religious denominations outside the Established Church, and of the leaders of the British Legion, because the Legion's Annual Festival of Remembrance is held on the Saturday before Remembrance Sunday and is normally attended by The Queen and other members of the Royal Family. The proposal has met with general approval.

7. If the Cabinet agree, we suggest that, subject to any consultations which may be required with Commonwealth and Colonial Governments, we should submit for Her Majesty's Pleasure that Remembrance Sunday shall always be observed on the second Sunday in November.

G. LL.-G.

5th January, 1956.
CABINET

THE ECONOMIC SITUATION

Memorandum by the Chancellor of the Exchequer

My predecessor gave repeated warnings about the dangers of the continued inflationary pressure in the economy. The most recent of these is contained in his memorandum on Overseas Expenditure (C. P. (55) 184) in which he pointed out that unless we were able to keep our demands within bounds, we would be faced with "irreparable damage to our economy ... to sterling, and to the sterling area system, with all that this implies to our position as centre of the Commonwealth and as a leading world Power" (paragraph 16).

2. We are trying to do more than our resources allow. The effect of this excessive demand shows itself in expanding imports and using at home goods that we ought to be exporting. This endangers the balance of payments and consequently the reserves.

3. We have been trying to deal with this situation mainly by monetary measures. Bank Rate has been at 4¼ per cent since 24th February. Through the whole of 1955 we have had high interest rates and maintained continuous pressure on the supply of money. Since July the volume of credit as measured by bank advances has been reduced by 6½ per cent. These measures have been supported by the hire purchase restrictions imposed in February and strengthened in July. Other important measures designed to relieve the situation were the reduction of the housing subsidies, the autumn budget, and the supplementary measures dealing with the capital expenditure and finance of the local authorities and the capital expenditure of the nationalised industries.

4. I must warn my colleagues that the latest indications of the state of the economy, as shown by the November and December trade figures, do not show any signs that the pressure is being relieved. I am concerned for the moment to give the facts; I shall circulate later my proposals as to remedies.

5. At home, the preliminary figures of unemployment for December show that unemployment in mid-December was about 216,000. This is 40,000 below the figure for December, 1954 and is by far the lowest December figure since the end of the war. The Board of Trade has recently asked a sample of business firms about their investment plans for 1956, and these, combined with the figures for investment projected by the Government, local authorities and nationalised industries indicate that total planned investment for the coming year is about £250 millions more than last year (at 1955 prices).
6. Consumers' expenditure is estimated to have increased by nearly £400 millions between 1954 and 1955, and having regard to the current increases in wages, we must be prepared for a rise this year of the order of £300 millions (at 1955 prices). We cannot hope for an increase in production this year, in the most favourable circumstances, of more than about £500 millions. These figures, though very rough at this stage, indicate that home demand is likely to do more than absorb this year's increase in output, which can only be done by a further increase in imports and a further diversion of goods from export.

7. It is probable that in 1955 we shall have had a deficit on current overall external account, instead of the £250/300 millions surplus which we need. On the above analysis, the position in 1956 will be worse than in the current year.

8. Preliminary indications of the December trade returns suggest that the visible deficit will be at best about £75 millions and that it may easily reach £100 millions. These figures compare with about £50 millions for September and October, and about £70 millions for November. These figures support the view that our position is getting worse.

9. The gold and dollar reserves at the end of December stood at $2,120 millions. They are therefore approaching the critical level, which is between $2,000 and $1,500 millions, at which experience shows that speculation against sterling can be expected. When this happens the reserves themselves are in danger of falling so low that confidence in our ability to maintain the value of sterling will be lost.

10. It is clear, therefore, that we are faced with the necessity of taking immediate action over a wide field of a more drastic character than has hitherto seemed necessary. Time is running out.

H.M.

Treasury Chambers, S.W.1.

5th January, 1956.
6. Consumers' expenditure is estimated to have increased by nearly £400 millions between 1954 and 1955, and having regard to the current increases in wages, we must be prepared for a rise this year of the order of £300 millions (at 1955 prices). We cannot hope for an increase in production this year, in the most favourable circumstances, of more than about £500 millions. These figures, though very rough at this stage, indicate that home demand is likely to do more than absorb this year's increase in output, which can only be done by a further increase in imports and a further diversion of goods from export.

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H. M.

Treasury Chambers, S.W.1.

5th January, 1956.
9th January, 1956

CABINET

IMPERIAL COLLEGE OF SCIENCE AND TECHNOLOGY

Memorandum by the Minister of Works

The Chancellor of the Exchequer's paper (C.P.(56) 4) seeks agreement for the immediate demolition of Cubitt's Imperial Institute. I fully appreciate how urgent is the need for a decision, but at the same time I feel bound to put before the Cabinet as briefly as possible some considerations in favour of its preservation and its inclusion in the Imperial College scheme as recommended by the Royal Fine Art Commission.

2. This building cannot just be dismissed as Victorian work and all that that might imply. It is regarded by architects as showing an extraordinarily acute and ingenious architectural intelligence. It is by any standards a very fine building, a major piece of London architecture and part of the London scene. It was built to last and, as an inscription on its face records, to commemorate the Diamond Jubilee of Queen Victoria.

3. Recently, Mr. Goodhart-Rendel, the distinguished architect and critic, in a lecture to the Royal Institute of British Architects said that it seemed to him "so far as my knowledge goes to be one of the most beautiful buildings of its kind and time not only in England but in Europe", and again "I do not regard the tower only but the whole of the Imperial Institute as one of London's most beautiful possessions. I therefore find it hard to believe my eyes when I read in the papers that there has been a proposal to pull it down".

4. It is of course true that if this building was demolished and new buildings erected on its site the College would obtain more accommodation: although I believe the extent to which the College would gain has been exaggerated.

The College architect cannot be blamed for wishing to implement his original scheme; but equally I believe that, faced with the necessity of recasting his scheme and making full use of the Cubitt Building, he would work out proposals which might well give the College more room than the Chancellor's paper suggests.

For instance, I asked my Chief Architect to consider the possibility, which so far as he was aware had not been previously considered, of introducing mezzanine floors without any alteration of the exterior, making four floors where there are now two. This is thought to be feasible in such a massive building and would provide roughly another 14,000 square feet; not much, but there are other
possibilities such as the Royal Fine Art Commission has put forward, i.e., to use part of the building as the Science Library, and so on.

5. The arguments for the destruction of this building may be strong: but I feel I ought to pose the question whether it is wise to run the risk, if it can possibly be avoided, of inducing at the outset of this great scheme of expansion the sort of public outcry which will break out when destruction begins: destruction not by some private speculator but by decision of the Government itself.

It is well known how public opinion can react when a landmark is destroyed to which hitherto little attention may have been given simply because it has always been taken for granted.

6. I am bound to hope that my colleagues will agree to the retention of the Collcutt building in the Imperial College scheme, and to ask the College to work out their plans accordingly.

P. B-H.
Since 26th October, 1955, when the Ruler of Abu Dhabi and the Sultan of Muscat re-asserted their authority in the Buraimi Oasis and Her Majesty's Government declared unilaterally the frontier between Abu Dhabi and Saudi Arabia, we have been under constant pressure from the Americans to re-open and settle the affair by the resumption of arbitration in some form or by negotiations. The representatives of friendly States, and even the Egyptians, have also pointed out that our attitude leaves no room for manoeuvre to those anxious to help us to secure Saudi acquiescence in our action.

2. We must firmly resist any pressure to induce us to return to arbitration. The irretrievable distortion of the views of the local tribespeople by Saudi actions and the certainty that they will adopt similar methods, no matter what form of control is instituted in any future arbitration, make it almost inevitable that we should lose. The spread of a rumour that we have agreed to re-open the arbitration would be sufficient to bring local tribespeople at best back onto the fence and at worst onto the Saudi side. There would be repercussions on our position in the other Gulf States. We should in any case have the greatest difficulty in persuading the Rulers for whom we act that it was in their interests to resume arbitration. In short, a return to arbitration must be ruled out entirely.

3. For similar reasons we must refuse direct negotiations with the Saudis on Buraimi, though we would of course still be willing to discuss the minor rectifications to the frontier to which the Prime Minister referred in his statement of 26th October (text annexed).

4. Despite the necessarily rather inflexible background to our position, we have made two gestures to the Saudis since the re-occupation of Buraimi:

(a) In a Note to the Saudi Government of 21st November, 1955, we stated that the two countries "might hope to rebuild the firm friendship which existed in the time of his late Majesty, King Ibn Saud. To this end Her Majesty's Government would not fail to examine and discuss with the Saudi Arabian Government any practical suggestions for improving Anglo-Saudi relations, which the Saudi Government may wish to make, and they would draw attention in particular to the statement made by the Prime Minister in the House of Commons on 26th October, expressing their
readiness at all times to discuss with the Saudi Government any minor rectifications of the existing line which may seem convenient in the light of local circumstances".

(b) A message to King Saud was sent through his unofficial representative in Bahrain in the middle of December last. In this we intimated that we were interested in the idea of talks with the Saudis though we could not alter our position regarding Buraimi and the frontiers. The message suggested that H.M. Ambassador should see King Saud in Riyadh, the Saudi capital, and expressed our view that there were a number of matters of mutual interest which could profitably be discussed.

5. So far neither of these approaches has met with any response. Nor has King Saud been willing to receive H.M. Ambassador (who arrived in Jeddah on 6th November, 1955) to present his credentials.

6. Although we have no direct information from the Saudi Government, the United States Government think that, if their efforts to persuade us to return to arbitration or to negotiate fail, the Saudis may well appeal to the Security Council. In that event, as a party to the dispute, we should not have the right of veto. But provided the United States did not work actively against us, we should hope to secure a sufficient number of abstentions to prevent any vote being carried against us. This fact, no doubt apparent to the Saudis, and the certainty of unpleasant revelations of bribery and corruption may be the explanations of their tardiness in referring the matter to the Council. I do not think that we should make any move under a Saudi threat of reference to the Security Council. If it is referred we should stand firm, although we shall have to be careful about well-meaning attempts by our friends to produce compromise formulae.

7. Our position in South-East Arabia and the Persian Gulf is of such vital importance to us that we cannot compromise on this issue. I therefore propose that when the Prime Minister and I go to Washington (and in the preliminary talks conducted by officials before our arrival there), we should adopt the following attitude:

(i) We should make it clear that the United Kingdom could not in any case agree to resume arbitration over Buraimi. Nor could we agree to negotiate on the substance of Buraimi and the frontier between Abu Dhabi and Saudi Arabia, except in regard to the "minor rectifications" to which the Prime Minister has already referred.

(ii) At the same time we should make what play is possible of our willingness to talk to the Saudis, instancing our two gestures at paragraph 4 above, and pointing out that the Saudi acts of the withdrawal of the Saudi Ambassador from London and King Saud's refusal to receive H.M. Ambassador have made direct contacts very difficult.
We should do all in our power to bring the Americans to understand the rightness of our actions and the malpractices of the Saudis; and seek to persuade them, should the matter ever reach the Security Council, not to work against us.

S. L.

Foreign Office, S. W. 1.

9th January, 1956.

ANNEX

STATEMENT MADE BY THE PRIME MINISTER IN THE HOUSE OF COMMONS ON 26TH OCTOBER, 1955

"With permission, Mr. Speaker, I will make a statement on the situation in South-East Arabia.

"The House may recall that on 28th July, 1954 I reported that agreement had been reached with the Saudi Arabian Government to submit the Buraimi frontier dispute to arbitration. I expressed the hope that this agreement would enable us to resume the traditionally friendly relations between Her Majesty's Government and the Saudi Arabian Government.

"I am sorry to have to tell the House that these hopes have been disappointed. The proceedings before the Arbitration Tribunal at Geneva have broken down and the British member of the Tribunal and its Belgian President have resigned. The reasons for these events were explained in detail in a statement issued by the Foreign Office on 4th October. I have just learned that Dr. Dihigo, one of the two remaining members of the Tribunal appointed as a neutral, has also resigned.

"For many years, Her Majesty's Government sought to reach an agreement in these matters by negotiating with the Saudi Arabian Government. These efforts led only to steadily increased Saudi claims against the territory of two Arab Rulers, the Ruler of Abu Dhabi and the Sultan of Muscat. Finally, in August, 1952, in the region of Buraimi, the Saudi official Turki bin Ataishan, after passing through the territory of the Ruler of Abu Dhabi, invaded the territory of the Sultan of Muscat and established himself in a village belonging to the Sultan.

"Despite this provocative act, Her Majesty's Government continued to seek a solution by peaceful means, and dissuaded those local leaders who wished to meet force by force. For two years Turki remained in
Buraimi, seeking to extend Saudi influence in the area. In 1954, Her Majesty's Government advised the two Arab Rulers to submit their case to arbitration. An Arbitration Agreement was drawn up which it was hoped would lead to a settlement and to more friendly relations.

"The Saudi Arabian authorities have systematically disregarded the conditions of arbitration which were then agreed upon. The "police" group which they were permitted to keep in the Buraimi Oasis for the sole purpose of maintaining law and order was, in fact, led by political officers who persistently exceeded their functions. Bribery and intimidation on a wide scale have taken place in the disputed areas, with the result that it is no longer possible, I regret to say, to estimate where the loyalties of the inhabitants lay before Turki's armed incursion. The Ruler of Abu Dhabi and the Sultan of Muscat have scrupulously observed the conditions of arbitration which Her Majesty's Government, in good faith, recommended to them. They have had to stand by and watch their subjects being suborned, and the outcome of the arbitration itself being gravely prejudiced in advance. A fair and impartial arbitration is not possible in such circumstances.

"These facts, combined with the conduct of the Saudi Government in relation to the Tribunal itself, have led Her Majesty's Government to conclude that the Saudi Arabian Government are no more willing now to reach an equitable solution by arbitration than they were previously by negotiation. Their actions and conduct amount to a repudiation of the Arbitration Agreement, and have made a continuation of the arbitration impossible.

"Her Majesty's Government have, therefore, felt obliged, in the exercise of their duty, to protect the legitimate interests of the Ruler of Abu Dhabi and the Sultan of Muscat, to advise them that the attempt to reach a just compromise by means of arbitration has failed. The forces of these Rulers, supported by the Trucial Oman levies, have accordingly this morning taken steps to resume their previous control of the Buraimi Oasis, and areas to the west of it.

"My latest information is that the Saudi force has been evacuated from the Buraimi Oasis, its only casualties being two men slightly wounded. They are being cared for by our forces.

"Her Majesty's Government and the Rulers concerned have no doubt that, as a matter of law, they would be entitled to regard as a fair frontier between the Ruler of Abu Dhabi and Saudi Arabia the line many in this House know as the 1952 line, claimed in their recent Memorial before the Tribunal. However, while fully reserving their legal rights in that respect Her Majesty's Government have decided with the agreement of the Rulers, in order to act in as reasonable and conciliatory a manner as possible, to declare and uphold a line which is more favourable to Saudi Arabia. In 1935, when the present dispute may be said to have crystallised, a line, which is known as the Riyadh Line, was put forward by Her Majesty's Government. It involved substantial concessions to the Saudi Arabians. This line was further modified in 1937 in favour of Saudi Arabia and it is this modified line that we are now declaring as the frontier. The Saudi Arabian Government are being informed of these decisions.
"I regret that this step should have been necessary. But, as negotiations and arbitration have both failed, we have no other means of honouring our obligations and standing by our friends. I hope that in time the Saudi Arabian Government will accept the solution that we have had to declare. Her Majesty's Government are ready at all times to discuss with the Saudi Arabian Government any minor rectifications of the line which may seem convenient in the light of local circumstances."
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(Signed)
CABINET

THE MIDDLE EAST

NOTE BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

The Cabinet may be interested in this résumé of the accounts given by Her Majesty's Middle East Representatives on 4th January of the position in the countries where they are stationed.

S. L.

Foreign Office, S.W. 1,
9th January, 1956.
Sir H. Trevelyan (Cairo)

The régime is in control of the country. No alternative is in sight but it has no political base; it has therefore been decided to institute a form of Parliamentary Government. That would probably take the form of a list of eight candidates nominated by Nasser for each constituency from which the electorate would be allowed to choose four Members of Parliament. The Revolutionary Council are united, though there is an inner and an outer circle. The inner circle includes Nasser, Zakaria Mohi-el-Din and General Hakim Amer. These are moderates, and are for the present firmly in control. There is also an extreme wing represented by Gamal Salem. All are Nationalist, not Communist, and single-minded in the pursuit of their social and economic policy, of which the High Aswan Dam is the keystone.

2. Nasser is not by nature a neutralist, but he is suspicious of the West, and aspires to the leadership of the Arab world and perhaps of Africa. He frequently says that he does not act against the West, but reacts to Western moves. He is sensitive to local public opinion and to the foreign press. He says his differences with us are of tactics and not of strategy and that he wants to work with us. His underlying concept is an Arab Pact under Arab leadership.

3. On the other hand he considered the Bagdad Pact as a challenge to Egypt, and although not in theory opposed to the idea of the Northern tier, he worked against it. He had begun to tolerate it, but our recent action in Jordan revived his suspicions. Egypt and the Saudis decided to try to break the British connection with Jordan. Nasser fears that the United Kingdom is working for the isolation of Egypt. But in the long run he might be willing to accept co-existence between the Bagdad Pact and a wider Arab organisation.

4. On Palestine, Nasser still wants a settlement, though he fears the complications arising from the recent events in Jordan. He will not go forward unless secret negotiations reveal an acceptable basis for a settlement including a substantial concession of territory in the Negev with land communication to Jordan. Without a Palestine settlement, the chances of a settlement of the Jordan waters seem to have diminished.

5. Nasser’s arms policy is dictated not by a desire for political links with Russia, but by a determination to build up the Egyptian Army so that it can crush the Israelis either in a defensive or offensive war.

6. On the High Dam, Nasser has said that it is politically impossible for him to sign a letter of intent giving the International Bank virtual control of the Egyptian economy. But he does not want to have to go to Russia for help.

7. On Buraimi, his attitude has been helpful, although he says he cannot prevent the Saudis from going to the United Nations.

8. On the Sudan, Nasser admits bribery and also admits that Egyptian policy has failed. He is suspicious of our plans and believes we are promoting an agreement between the Sudan and Ethiopia.

9. Egypt is still the centre of the Arab world. She is powerful enough to cause us trouble and to disrupt any attempts by us to organise the Arab world without her. Nasser would be willing to use the Russians to help him in this. But provided we do not aim at the progressive isolation of Egypt, and can convince him of this, we should be able to do business with him on the basis of a solution of the Palestine problem and of giving him long-term supplies of arms. If this is achieved, and the High Dam agreement goes through, it should be possible to achieve a rapprochement between Egypt and Iraq, and a working agreement with the former.

Sir M. Wright (Bagdad)

If it is the case that increased supplies of oil from the Middle East are vital to us in the next twenty years, we must make the necessary effort to secure its production and transport. In this case our economic interests are identical with our political and strategic interests, and we cannot afford economically to neglect them. We must, therefore, be prepared to take action, and spend money, in order to prevent things going wrong.
2. Seen from Bagdad there are three essential problems:—
(a) Development and improving the standard of living;
(b) Palestine;
(c) the struggle for the soul of the Arab world.

3. In the Bagdad Pact we have an association of Iraq and Iran which are both important oil producers, Pakistan, a member of the Commonwealth, and Turkey, the strongest military power in the area. The creation of the Pact was a natural Iraqi reaction to events on their northern frontiers, and not just a whim of Nuri. Its concept and organisation enables us to guide development in two oil producing States, and provides the only alternative to neutralism there.

4. The success of the Pact depends on whether membership gives advantages to its members as compared with other Middle East States.

5. Sir M. Wright put forward the following propositions:—
(a) The Economic Committee of the Bagdad Pact should be used as the chosen instrument for the development of the area. Over the years Iraq could provide the finance, but they rely on the West for marginal financial and technical help;
(b) the United Kingdom and United States should channel their defence and economic help largely through the Pact;
(c) United States membership or at least public support is vital;
(d) to show the advantages of membership, the Secretary of State might attend the Council meeting in Iran in March, and we should give help where required, e.g., with Iraqi broadcasting.

6. The obstacles to the growth of the Pact are:—
(a) The Palestine question, on which Nuri and other leaders are anxious for a settlement and would accept Egyptian leadership;
(b) Saudi Arabian bribery, which Nuri regards as of equal importance to the Palestine question;
(c) Egypt's hostility, which the Iraqis are willing to do their best to end.

Mr. Parkes (Jeddah)
Mr. Parkes said he had not yet been received by the King, and his information was therefore limited. He made three points:—
(a) The King could not accept our action in Buraimi and Nizwa. He must make some gesture to restore his prestige. He might cut diplomatic relations, he might go to the Security Council, or he might use force. The United States' position seems to be that our action, by weakening King Saud, will play into Communist hands. Other friendly diplomatic representatives in Jeddah take the line that we should not be inflexible, and that we should make some gesture to save King Saud's face;
(b) There is a fundamental difference in outlook between the United Kingdom and the United States on Saudi Arabia. American oil interests there are the biggest single American overseas investment. They also have an important strategic and trading interest and their pride is involved in this sphere of influence. They view the King as America's only friend, and as a staunch anti-Communist. Our view, on the other hand, is that the regime is thoroughly evil and the best guarantee of communism. It may be a fact that there is no alternative to the King but he is a puppet of a corrupt regime which will only last so long as money is available for subsidising the tribes and merchants. Only the Americans could persuade the King to adopt a more enlightened policy;
(c) On Saudi bribery abroad, the trouble is that Saudi income from ARAMCO amounts to £100 millions a year. The oil companies are not making large advances. But the King has secured advances against future revenues from Saudi merchants and American banks. Our most useful role would be to stiffen the attitude of ARAMCO not to yield further on the 50/50 formula, and to persuade the Saudis, through the Americans, to commit their money to development instead of acting as the paymaster of Egypt. Nehru might be able to bring some influence to bear in this direction.
The eleven States in the Persian Gulf can be divided into three groups: —

(a) Kuwait, Bahrain and Qatar, all of which possess oil. Much had been said about the problem of Kuwait money and development. In fact it is a model compared with Saudi Arabia, its finances are sound, and its reserves so large as to cause us some misgivings. The dangers in the situation lie in the weakness of the Ruler in handling his family, and in the future results of education largely conducted by Egyptians. In Bahrain progress has been steadier, but there is now a political movement, with Egyptian links, which is pressing for representative government. We may be faced with the choice of backing the Ruler in refusing further constitutional concessions, or of advising him to agree to democratic reforms which can only weaken our own position. In Qatar oil money is limited. The problem there is the traditionally close relationship between the Ruler and King Saud. But all these States know the value to them of the British connection. Our policy should be to remain unobtrusive, to avoid any conflict arising between their association with us and their Arab links, and to increase Iraqi influence.

(b) The seven Trucial States of which Abu Dhabi is now by far the largest. Our action at Buraimi has created an excellent impression, but we must follow it up by seeing that these States are properly developed. We should foster some form of confederation between them.

(c) The State of Muscat, which is larger than the others, with a population of perhaps half a million. For the first time for fifty years the Sultan, an enlightened and educated man, has re-established his authority in central Oman. He is willing to associate himself with the West but we must help him to hold his country. We stopped him using force three years ago and with great difficulty persuaded him to agree to arbitration. We have now used force with success. It would be fatal to our influence and his position if we offered arbitration over Buraimi once more.

Sir John Gardener (Damascus)

Syria reflects currents of opinion in Egypt, Saudi Arabia and Iraq. Bagdad and Cairo are rivals for influence. Cairo is now in the ascendant.

2. The country is run by the Army whose chief preoccupation is with Israel. This fact together with Saudi money and French lack of enthusiasm for the Bagdad Pact has made any prospect of improving relations with Iraq or with the West remote. The Army have not yet accepted Soviet offers of arms. In the long run we might bring round some sections of it by supplies of aircraft.

3. On Palestine the Syrians would follow the Egyptian lead though they are desperately afraid of unlimited Jewish immigration into Israel.

4. The Syrians are very awkward people for anyone to deal with. Within eighteen months there might be trouble between them and the Egyptians over the joint command.

Mr. Duke (Amman)

The situation in Jordan is more than usually unstable. The constitutional validity of the decree dissolving Parliament has been called in question, and it is now unlikely that new elections will be held. No Government in present circumstances is likely to make any move towards the Bagdad Pact.

2. The British position has been damaged by recent events but it is possible to retrieve it. The King and the Foreign Minister in the latest Government have suggested that we should offer to negotiate a new treaty without any advance commitment on the points to be discussed, since this might cut the ground from under the opposition.

3. In any case we must take action ourselves to improve our influence and check the effects of successful Egyptian propaganda. It would be very difficult for the Jordanians to refuse an offer by Egypt and Saudi Arabia to replace the British
subsidy, but the King and his associates are strongly opposed to such an offer, particularly since they believe that the Russians are behind it. The Egyptians are not liked but the efficiency of their propaganda machine is feared.

4. In order to improve our position we must take active steps to improve our own propaganda, but the condition precedent for success is a solution of the Palestine problem. The Jordanians are hoping that the Prime Minister's Guildhall speech will be followed up.

5. Iraq should adopt a more forward policy in Jordan and send an Ambassador to Amman. The Jordanians resent Iraqi indifference, but many favour closer union with Iraq as a counter to Egyptian, Saudi and Communist intervention. Finally, it is necessary to co-ordinate our policy with the United States, and for it to be evident that we have United States support.

Mr. Nicholls (Tel Aviv)

The extraordinary psychological instability of the Israelis makes it impossible to give a clear-cut picture. Their internal conflicts lead to sudden and unpredictable changes in policy, so that individuals who are normally associated with activist policies such as Ben Gurion sometimes appear moderate, and those who are normally moderate such as Sharrett suddenly adopt extremist policies.

2. Generally, however, there is a desire for peace in Israel. But the problems which have to be faced in order to obtain peace have only recently been thought about, probably only since the Guildhall speech. To this extent the situation in Israel is improving. On the other hand, the Israelis, who had previously some hopes of the sincerity of Nasser, have lost confidence in him since the Czech arms deal. They no longer trust the Egyptians, or the United Kingdom, and accuse us of being willing to buy Arab favour at the Israelis' expenses. Their dominant emotion is fear of attack, and fear of being put under intolerable Western pressure to make concessions which would fatally weaken them. They realise their own economic, military and political weakness, but do not draw the logical conclusion that they should make peace now. On the contrary they hope for a miracle, and meantime are prepared for a preventive war, though this is not the present intention of the Government.

3. The Israelis will not commit themselves not to use the weapon of reprisals. Their recent attack on the Syrians was the least justified of any such attacks. The initial approval of the general public has, however, been followed by doubts, and Sharrett has said that there will be no more one-man decisions (i.e., by Ben Gurion) on major military adventures.

4. Mr. Nicholls' general conclusions were:

(a) If peace is vital, we must subordinate all other considerations to obtaining it.
(b) We should strengthen the moderates by building up their faith in Nasser, and by abstaining from recrimination and quarrels on minor matters.
(c) The Israelis will not be willing to allow an Arab corridor across the Negev, although they might give up some territory for the sake of a general settlement.

Sir E. Chapman Andrews (Beirut)

The Lebanon, though a member of the Arab League, is different from the others in many ways. The facts of geography and history have made her a half-way house between the Arab world and the West. The population of the country is only just over a million but there must be nearly 2 million Lebanese living and trading in foreign countries all over the world, and they are for the most part well off, even rich. They are a nation of gifted money-makers and therefore believe in peace. Their balance of trade is heavily adverse, and they have since the days of the Phoenicians been obliged to make their living by their wits in the form of services rendered to international banking and trade.

2. Of the Christian half, the Marronites, who are in the majority, come more readily under the influence of France and have a fellow feeling with the Israelis, representing a religious and racial minority in a Moslem mass. The Lebanon would probably second a peace settlement with Israel but would never dare propose one.
In regard to the Bagdad Pact, the President, backed by many of the Moslems and a number of Orthodox Christians, favoured it from the first, but it is not feasible at present for Lebanon to accede. The idea of the Fertile Crescent is present in the minds of many if not most Lebanese, for they have a sense of community with the peoples of the north through Aleppo to the Tigris and Euphrates. They have also the sense that with the decline of 19th century colonialism and maritime power and the advance of internationalism and air power, the lines of communication in the future will tend to follow those of the old trade route along the Fertile Crescent, along the modern pipelines from northern Iraq to their terminals at Lebanese Mediterranean ports; that wealth and power will flow along these lines. Moreover the ancient historical connection with Egypt has been weakened by the creation of Israel. Nevertheless Egypt is the only State with which Lebanon has a favourable balance of trade, the best market for her produce and she is entirely dependent upon Syria for bread, wheat and meat.

3. President Chamoun, though not a strong personality, is certainly a friend of Britain's and is so regarded throughout the Lebanon. His Presidential course is now more than half run and he is inclined to complain, quite unjustifiably that Britain has not given him the help he expected. He wants arms to give his country a greater sense of security against Israeli attack and to enhance his own prestige in the Lebanon. He also wants economic aid.
10th January, 1956

CABINET

MONOPOLIES AND RESTRICTIVE PRACTICES: THE IRON AND STEEL BOARD

Memorandum by the Lord Chancellor

My colleagues will recall that on 20th December the Cabinet agreed that the new Bill on restrictive practices should be drawn up on the basis of entrusting jurisdiction over restrictive practices to an independent judicial tribunal (C.M. (55) 47th Conclusions, Minute 5). The Committee of Ministers concerned with the Monopolies Commission Report have had before them a letter from Sir Archibald Forbes, Chairman of the Iron and Steel Board (I.S.B.), to the President of the Board of Trade. In this he asked that provision be made in the Bill for the exclusion of the iron and steel industry from the new tribunal's field of enquiry and for the grant to the I.S.B. of any powers of examination or adjudication given to the tribunal, on the ground that the position of the Board in relation to the industry which they were set up to supervise would otherwise be fatally undermined. The I.S.B. have asked that their views be conveyed to the Prime Minister and the Cabinet and that their Chairman be given an opportunity of enlarging on the matter with the Prime Minister.

2. The Committee have found this a difficult matter. The I.S.B. is a statutory body, set up as a result of a major decision to substitute independent ownership of the industry, with a supervisory body, for nationalisation, and it is vital to this conception that such a supervisory body should be kept strong and effective. Under the Iron and Steel Act, 1953, the Board were charged with the duty of exercising a general supervision over the industry "with a view to promoting the efficient, economic and adequate supply under competitive conditions of iron and steel products" and they have regarded the underlined words as covering amongst other things a review of restrictive practices within the iron and steel industry, upon which they are now engaged. They are empowered to fix maximum prices (although the President of the Board of Trade has overriding reserve powers) and could perhaps thus exercise some sanction, albeit incomplete, against restrictive practices. Although the I.S.B.'s policy with regard to maximum prices would not, of course, be subject to the jurisdiction of the new tribunal, other restrictive arrangements would be liable to review by the tribunal as they are to-day liable to review by the Monopolies Commission. If the industry or sections of it were to be haled before the new tribunal, a difference might develop between the views expressed by the I.S.B. and the tribunal and two statutory bodies might be seen in conflict.

3. On the other hand, apart from such effect as may result from their power to fix maximum prices, the I.S.B. have at present no legal power to prohibit restrictive practices which they might consider contrary
to the public interest. The only legal procedure to put an end to restrictive practices in the iron and steel industry is under the Monopolies Act, 1948, to which the industry is at present subject. The action proposed under the new Bill would thus in no way detract from the present position of the I.S.B., in that it would simply substitute a judicial process under the new independent tribunal for the present administrative process under the Monopolies Commission. This would by no means preclude the continuance of the Board's own enquiry into restrictive practices in the iron and steel industry; indeed, the further the Board could carry these with the agreement of the industry, the less need should there be for any early external review of collective agreements within that industry. To exclude the iron and steel industry from the ambit of the Bill would either mean that all power of controlling restrictive practices within the industry was removed, which would be obviously indefensible - or that special legislation would be necessary to invest the I.S.B. with the powers which it is proposed to give to the independent judicial body. There would then be a real danger of conflicting policies and principles being applied by the Board, on the one hand, to the iron and steel industry and by the tribunal to industry generally on the other, and the objective approach to the problem of restrictive practices which has been sought through the principle of an independent judicial body functioning on a defined justiciable issue might be gravely impaired. The steel industry might then indeed be regarded as on much the same footing as a nationalised industry. This would not be acceptable to the industry itself. The Committee concluded, therefore, that the balance of advantage lay in not attempting to exclude the iron and steel industry from the new Bill.

4. The President of the Board of Trade made clear his strong feeling that it would be difficult to carry through the Bill if the iron and steel industry were omitted. The Bill has now assumed considerable political importance and there is little to be said for weakening it by compromise. He agreed however with the Committee that it would be an embarrassment if the Bill had to be put through in the teeth of the I.S.B. The Committee agreed therefore that there was much to be said for attempting to get the Board to see this matter in its proper perspective as in no way impairing their present position in relation to the industry. The Committee accordingly agreed to recommend that the President of the Board of Trade might receive the I.S.B., announce to them a firm decision about the inclusion of the iron and steel industry within the new Bill, but at the same time undertake that agreements within the industry would not be called up for registration (and would not therefore come before the tribunal) until the Board's own review of restrictive practices had been completed and considered by the Board of Trade. It would then be for the President to call up agreements in the iron and steel industry for registration and to make a reference to the tribunal if he saw fit after consultation with the I.S.B. This course avoids both the necessity for an amendment to the Steel Act which might well be hotly contested by the steel industry and at the same time preserves the position of the Iron and Steel Board as closely as possible to that existing at the present time.

5. It is for this course that I now seek my colleagues' authority on behalf of the Committee.

K.

House of Lords, S.W.1.

10th January, 1956.
14th January, 1956

CABINET

THE FEDERATION OF MALAYA

Note by the Secretary of State for the Colonies

As my colleagues know, a Conference with a delegation from the Federation of Malaya to consider the next steps in constitutional advance in Malaya starts in London on 18th January. The delegation consists of four representatives of the Alliance, led by the Chief Minister Tunku Abdul Rahman, and four representatives of the Malayan Rulers. I expect the Conference to discuss, among other matters, the composition and terms of reference of a Constitutional Commission, Defence, Internal Security, Financial Assistance, and the "Malayanisation" of the Public Service. The memorandum, annexed, which sets out the lines along which I think the Conference should be guided, contains my proposals on these matters.

2. The Colonial Policy Committee, in giving their general approval to these proposals at their meeting on 12th January, considered that it would be necessary to go somewhat further than I had proposed to meet the Malayan delegation on the question of internal security, and at the same time to seek stronger guarantees in respect of external defence (C.A.(56) 2nd Meeting, Item 2).

Internal Security

3. This is a basic issue, as it is essential that ultimate control over internal security should remain in our hands up to the date on which internal self-government comes into effect and that even after that date we should retain operational control so long as Commonwealth forces are employed on internal security. Although I had hoped that the Chief Minister could be persuaded to be content with the transfer at the present stage of the administrative control of the police, it is probable that he will press for the immediate transfer of the Federation local military forces as well as the police and prisons. He is now publicly committed to returning to Malaya with an agreement which will at least appear to give him responsibility for internal security, and there are strong arguments for going as far as possible to meet him. As the control over the United Kingdom and Commonwealth units would still remain in our hands, the Colonial Policy Committee endorsed my view that it would be wise to meet this request, if it is pressed, by agreeing to transfer now the administrative, but not the operational, control of the local defence forces and the police. The High Commissioner and, I understand, the Chiefs of Staff support this proposal which would ensure that residual control over internal security, including security intelligence, remained in our hands during the interim period.
I have proposed in my memorandum (paragraph 8) that if we succeed in limiting the next stage of constitutional advance to a period of internal self-government, with the grant of full self-government to be contemplated at the end of that period, of about two years, the discussion of external defence at this stage could be confined to reaching an agreement in principle that a formal agreement should be negotiated later to provide for our right to retain in the Federation the forces which we consider necessary for its defence and to meet our international obligations and for the supporting facilities and arrangements which we should require. My colleagues in the Colonial Policy Committee felt that we might be in a stronger position at this point, than at the moment of granting full self-government, to secure the guarantees we needed. It was decided that I should attempt to reach now, in negotiating an advance towards internal self-government, agreement on a broad formula which would specify and guarantee the rights we needed, including those required to carry out our obligations under ANZAM and the South East Asia Treaty Organisation.

Subject to these modifications I seek the approval of the Cabinet for the general lines of the proposals in my memorandum. I also ask that I shall be free to diverge from them if necessary on all but major issues; on those I will reserve my position for further consultation with my colleagues, but without such discretion it will be difficult for me to handle the Conference effectively, especially as the specific questions which will be considered are, for the reason given in paragraph 2 of the paper, still in various degrees undefined.

A. L-B.

Colonial Office, S.W.1.

13th January, 1956,
CONFERENCE ON CONSTITUTIONAL ADVANCE IN THE FEDERATION OF MALAYA

Memorandum by the Secretary of State for the Colonies

Background

This Conference is due to open on Wednesday, 18th January, and is expected to last for some two to three weeks. Three groups will participate—first, a delegation from the Federation composed of four leading members of the Alliance, headed by the Chief Minister, and four representatives of Their Highnesses the Rulers, second, the High Commissioner and a number of his senior advisers and, third, myself and my advisers, who will as necessary include representatives of other interested Departments.

2. I originally agreed with the Alliance and the Rulers that the main subjects on the agenda should be:

1. The terms of reference, composition and timing of a commission to review the constitution.
2. Defence.
3. Internal security.
4. Finance.
5. The future of the public service.

It later became clear that we should have to deal with a number of other subjects of lesser importance, with which I need not now trouble my colleagues. As a result of preoccupation with other more immediate problems it has not been possible for the Alliance Ministers to give as much time as they would have liked to preparations for the Conference; nor have they been able to have detailed discussions with the Rulers' representatives. I therefore do not yet know definitely how far the two sides of the delegation will come to the Conference with an identity of view, or what is to be asked of us. It appears, however, from the latest report to reach me that the Chief Minister proposes to seek the immediate grant of:

(i) Control of internal security.
(ii) Control of finance.
(iii) Malayanisation of the public service.

He is said to regard these as amounting to self-government. I understand that by "control of finance" he means only the appointment of an elected Minister of Finance in place of the present ex officio Financial Secretary. I see no difficulty about this. I shall deal later with the questions of internal security and Malayanisation.

(iv) The appointment of a constitutional commission instructed to prepare for the introduction of what he calls "full independence" by the 31st August, 1957, if possible.

By this he is reported to mean full control of external affairs and defence, "though treaty arrangements on these could be made with Britain."

3. Certain matters will have to be determined during the course of the Conference but its aim will not be to reach detailed agreements on all the main items; it will rather be to agree in broad terms what should be done, the details being left to be worked out later where necessary. Nor will the conclusions and recommendations of the Conference immediately bind Her Majesty's Government, the Federation Government or the Rulers: before they become binding they will be referred back to all three parties for study and approval. This is due to insistence by the Rulers that their representatives at the Conference should in no sense be plenipotentiaries and that the Rulers would hold themselves free to consider the recommendations of the Conference without prior commitment to accept them. In view of this, although the delegation will to a large extent regard Her Majesty's Government as committed to anything that may be provisionally agreed at the Conference, I propose to make it clear that we must retain the same freedom as the other parties to study the recommendations before finally approving them.
General Approach

4. We must be prepared to go a very long way with the delegation on the fundamental question of political advance, and to do so with a readiness from which we may reasonably hope to derive all the advantages that can flow from establishing an atmosphere of goodwill and understanding early in the Conference. If we do not approach this major issue boldly we will in the end be driven back upon our final positions in an atmosphere which will do no good to our future relations with the territory. It is scarcely possible to exaggerate the strength of feeling in the Federation about self-government; and the Alliance could hardly be in a stronger position to pursue it. It was the main plank in their election campaign, and as a result they were swept into power with victory in 51 of the 52 constituencies for the Legislative Council. There is, of course, still a wide gulf between the Malay and Chinese races, and no one could to-day say with any confidence how or when it will be bridged. This may well give rise to grave problems when the territory becomes self-governing, but meanwhile we must accept the fact that the two races are completely united in the demand for self-government and that we no longer have anything to gain by arguing that relations between them must be more firmly and harmoniously established before self-government can be granted. Another, more immediate, problem is the settlement of the considerable differences of outlook between the Rulers and the politicians. I propose not to let myself be made a party to any disputes which may emerge between them during the Conference, and to insist that relations between the Rulers and the political leaders in the Federation are essentially matters which they must settle among themselves.

5. But the decisive consideration is that the Alliance can claim that in seeking self-government they demonstrably enjoy the enthusiastic support of practically the whole country. (Apart from the Sultan of Johore, few, if any, of those who may believe otherwise would dare to say so.) It would also be difficult to offer any conclusive refutation of the argument which the Alliance would almost certainly use, should it seem necessary, that, probably with some continuing help from us in a number of ways, the Federation is as well equipped for self-government as the wholly independent Asian countries by which it is surrounded. Few of them are face to face with anything like the same problem of Communist violence and subversion, but I see no effective counter to the answering argument that a determined Malayan Government with full responsibility for their own internal affairs could deal more successfully with the Communists than a “Colonial” régime running a country anxious to be rid of it. In this connection it is significant to recall that our recent statement that we no longer regarded the continuation of the shooting war at its present sort of level as an obstacle on the road to self-government had an excellent effect upon the Alliance Ministers and public opinion generally and was a real blow to the Communist terrorists. The indications are that, if we accept the Alliance view on this, we shall be able to secure satisfactory agreements on defence and the other issues of particular concern to us. If, on the other hand, we do not go far enough with them on the question of self-government, we shall in all probability not only fail to secure such agreements but also find ourselves faced with a refusal to co-operate in the administration of the Government and a serious deterioration in internal security. We know that the Chief Minister has in his possession signed letters of resignation from all members of his party who are also members of all councils from the Legislative Council downwards. Without them, none of the councils could in practice survive. These letters have only to be dated and submitted to produce a situation in which the High Commissioner would be forced to assume direct administration of the affairs of the territory. Moreover, the sympathies of nearly all local members of the public service and police, the great majority of whom are Malays, would lie with the Chief Minister and his colleagues. Faced with a hostile public, at least unco-operative and perhaps quickly turning to active opposition, we should find ourselves benefiting only the Communists; and sooner rather than later we should have to concede in the most unhappy circumstances what we could earlier have granted with an air of generosity, the support of world opinion and the promise of loyal co-operation. The tide is still flowing in our direction, and we can still ride it; but the ebb is close at hand and if we do not make this our moment of decision we shall have lost the power to decide. Not far off the French have shown us what can happen if such a tide is missed.
Constitutional Commission

6. In the last analysis, if the delegation are adamant in demanding that the constitutional commission should prepare a scheme for full self-government, we shall at least have to consider whether we can agree. On the other hand, I hope to obtain agreement to the more modest proposal that the terms of reference of the commission should be so drawn as to set it the task of preparing a scheme only for internal self-government, excluding defence and foreign affairs. Nothing less than this will serve. The subjects with which the commission will have to deal will include the structure of the legislature; the question whether or not there should be an Upper House; citizenship; the relation between the Federal Government and the State Governments; and the position of the Rulers. The commission will thus be faced with a heavy task and I would hope to set it to work as soon as possible since it would be of some tactical value to agree with the delegation that the commission should aim at completing its work, if possible, in time for its recommendations to be agreed and put into effect by 31st August, 1957, as proposed by the Chief Minister. Until recently it seemed likely that the demand would be for a commission mainly, if not wholly, composed of persons from outside the Federation, and that we should be asked to find most of them from other Commonwealth countries and not from the United Kingdom alone. In that case I would seek agreement upon a fairly small body with a chairman and at least one other member from the United Kingdom. According to my most recent information, however, the delegation are likely to propose a commission composed entirely of Malaysians except for a chairman from outside the country. I see no need to make an issue of this question, but I shall insist that, in view of the responsibilities of Her Majesty's Government, the chairman must be someone acceptable to us, and I shall seek to have it agreed that I should myself look for a suitable person.

7. It is plain from past experience and from the very nature of things alike that, even if I succeed in obtaining agreement to an interim period during which self-government is limited to internal affairs, that cannot last very long. It would, however, be invaluable in preparing for an orderly handover, and particularly in allowing local Ministers an opportunity gradually to learn how the machinery of internal security ought to work and what is its proper and essential relation to external defence. I shall deal with this aspect of the matter more fully later. But if we recognise the inevitability of the advance to full self-government before very long, it would be foolish not to extract from that such advantage as we can. I therefore further propose to agree that the constitution should again be reviewed at the end of two years from the introduction of internal self-government in order that, in the light of its operation during that time, the grant of full self-government should be contemplated.

Defence

8. On this programme responsibility for external defence would remain with the High Commissioner right through to the beginning of full self-government. Among other advantages this would allow time for the careful preparation of a defence agreement designed to have effect from the date of full self-government. It is already in practice essential that the High Commissioner should consult his Executive Council on any defence questions which directly involve the Federation Government, and this arrangement would necessarily continue. I also propose, however, that, as in the Gold Coast, the High Commissioner should have a small advisory committee of Ministers whom he could at his discretion keep more closely in touch with problems of defence, although he would not be bound to accept their advice. This should provide for a valuable process of education. It had earlier been thought that a defence agreement would be a major matter for the Conference to consider, certainly in broad terms and possibly even in some detail; and discussions on the subject have been going on between the interested Departments in London, and also in Malaya. If, however, my present plan succeeds, discussion of defence need presumably go no further than an attempt to reach agreement in principle that there should in due course be a formal agreement providing for our right to maintain the Commonwealth Strategic Reserve in the Federation, for the facilities which will require and for arrangements ensuring that our forces will be able to function effectively in the event of war. We should also make it clear that these arrangements must allow for the participation, both in force and in planning, of Australia and New Zealand. I hope that the Federation Government
will ultimately join the South-East Asia Treaty Organisation. It is too early to move in that direction at present, but the period of internal self-government will, I trust, help to produce that result.

**Internal Security**

9. Internal security poses a problem of crucial importance and great difficulty. Hitherto we have always taken the line that until the stage of full self-government was reached the Governor of any dependent territory must retain ultimate responsibility for internal security, and in particular for control of the police. In the Gold Coast even to-day, for instance, the Governor still controls internal security, advised by a committee of the Cabinet but not bound to accept (or necessarily even to seek) their advice. Until quite recently the Chief Minister of the Federation intended to ask for immediate control over the military forces as well as over the police, but my latest information is that a study of the problem of making the military forces self-contained and independent of Imperial units may have convinced him that this is impracticable, and I am also told that his colleagues hope to persuade him to be content with the transfer of responsibility for the police.

10. The High Commissioner, the Director of Operations, the Commissioner of Police and the Chief Secretary (who is the Minister at present responsible for internal security) all take the view that this request should be granted. Their view is based mainly upon two arguments—first, that the Alliance are so set upon obtaining this concession that refusal on our part might result in the breakdown of the whole Conference; and, second, that internal security will in any case be better safeguarded if controlled by co-operative local Ministers than if we retain nominal control in the face of constant opposition from Ministers and, as a result, probably also of growing unreliability among the great mass of the locally-recruited members of the internal security forces themselves. Nor can we ignore the fact that the delegation are likely to be fortified in their attitude by Chin Peng's statement in the recent discussion of the amnesty offer that the Communist terrorists would be prepared to lay down their arms and leave the jungle when control of internal security had passed to an elected Government in the Federation.

11. While I agree that it would be impolitic to resist in principle the idea of the early transfer of responsibility for internal security, I hope that practical arguments can be developed in the forthcoming talks with a view to avoiding any change during the period before the introduction of internal self-government. The main point would be the difficulty of making any such change without affecting the intelligence and operational machine during the immediate future, when the shooting war must be prosecuted with the utmost vigour.

12. If, however, despite this, it appears necessary to make some gesture in response to the Chief Minister's demand for the immediate transfer of the control of internal security, I would propose to go no further than to agree that the Minister for Home Affairs (a portfolio at present held by the Chief Minister) should take over responsibility for prisons, detention camps and the civil defence organisation, and for the administration—but not the operational control—of the police. "Operational control" would be regarded as covering the operations of the Special Branch and the Director of Intelligence's organisation. Responsibility for the Federation military forces and the volunteer units would remain with the Secretary for Defence. Whether or not any such concession has to be made, I think it important to obtain a clear understanding that at all stages, including that of full self-government, the police should retain the independence and freedom from political influence in the ordinary conduct of their civil duties which they at present enjoy and which in the United Kingdom is regarded as a cardinal principle. This would mean, for example, that the Commissioner of Police would retain sole responsibility for police investigations and prosecutions, where necessary dealing direct with the Law Officers on such matters. I further hope that it will be possible to agree upon the early establishment of a police service commission which would at first advise the High Commissioner on such matters as appointments, promotions to gazetted rank and discipline, and would, when internal self-government, and later full self-government, came, continue in existence as an independent body.

13. The core of the whole problem is, however, what we agree to do about internal security when internal self-government is introduced. My own view is that we should at once agree that, subject to an important understanding relating
to the essential interests of the Federation itself and to our responsibilities for its protection, the introduction of internal self-government should carry with it the transfer of control of internal security. The understanding would be that, because of the enduring mutual interest of the Federation Government and Her Majesty’s Government in the United Kingdom in the defence of the territory, and because of the impossibility of dissociating that defence from internal security, both Governments should recognise their common interest and concern in the machinery for security intelligence and counter-subversion. This machinery is at present on the whole soundly constructed and operationally efficient; it is essential to keep it so since otherwise the dangers of internal subversion will gravely and rapidly increase and adequate arrangements for the defence of the territory cannot be sustained. Her Majesty’s Government’s continuing responsibility for defence therefore requires that the product of the work of the intelligence security machine and of the police Special Branch must continue to be equally available to the High Commissioner as well as to local Ministers; and Ministers for their part must recognise Her Majesty’s Government’s special interest in the maintenance of the efficiency of that machine after it is handed over to their responsibility. Moreover, so long as the shooting war continues, because of our enormous contribution to sustaining it, both in troops and in other ways, the High Commissioner must retain responsibility for the conduct of operations. During the period of internal self-government, in addition to maintaining the intelligence security machine at full efficiency, our objects should be to make local Ministers thoroughly conversant with its nature, functions and operation and to go ahead as fast as possible with the training of Malayans in its work, in order that when the time for full self-government arrives the machine can continue to do its job without loss of efficiency. For this it will be particularly important to ensure that every encouragement is given to British officers to remain at their posts, certainly during internal self-government and, it is to be hoped, even thereafter. Without this the whole plan is likely to be jeopardised.

14 There remains the question of Singapore, where the problem of internal security is still more serious and difficult. It is bound to arise in my discussions with the delegation from the Colony which is due to come to London in April; and it would have been satisfactory if I felt that I could approach it on the same lines as I have proposed for the Federation. Unfortunately, however, as I see things at present, any demand that the control of internal security should at an early date be handed over to local Ministers in Singapore will have to be resisted. I believe that a reasonable arrangement could be arrived at with Marshall and his colleagues, but we have to recognise that he is a phenomenon of limited and probably brief duration, and that there is in sight no other potential Government which we could safely entrust with this responsibility. Even more than in the Federation our whole defensive position in Singapore depends upon it. While facing this, I do not think that we can let it affect our attitude towards the Federation. If we turned the Federation down because of Singapore we should run into grave trouble with the former without saving ourselves similar trouble with the latter; whereas, if we can secure a contented Government in the Federation we shall be in a stronger position should it be necessary to take a different and tougher line in Singapore.

Finance

15. It is not possible to consider the question of finance in any great detail since the Government of the Federation have not yet completed a review of their financial resources and of the demands to be made upon them during the next five years. There have been suggestions, however, that the delegation may have ambitious projects in mind for the future and that the demands which it may present for assistance may be substantial. For the present, however, it should be assumed, in the absence of any clear evidence to the contrary, that the delegation will accept the principle that full self-government carries with it the obligation of financial self-sufficiency and that the Federation should then cease to look to the United Kingdom for general financial assistance, except in so far as that assistance may be made available by loans for development through the London Market. Even when the Emergency comes to an end Her Majesty’s Government will continue to have heavy financial commitments in the Federation as a result of their continuing responsibility for its external defence. Apart from this, Her
Majesty's Government have at present certain further financial commitments, actual or potential, in respect of the Federation. These are:—

(i) A promise to consider financial assistance if the Emergency and the programmes for rubber replanting and expanded educational services involve the Federation in agreed expenditure which cannot be met after the maximum possible use has been made of local resources.


(iii) A grant of up to £7·2 million for use up to 1962 towards the capital cost of the expansion of the local armed forces.

(iv) A promise to consider loan assistance should the Federation be unable to make local arrangements to finance its contribution to the Buffer Stock under the International Tin Agreement.

16. No change need be caused to these arrangements by a degree of constitutional advance which falls short of full self-government, but it is necessary to consider how they might be modified when the Federation becomes fully self-governing. The commitments which Her Majesty's Government have assumed under paragraph 15 (i) would lapse; the Federation did not require a grant towards the cost of the Emergency in 1955, none will be needed this year and there is no present reason to expect that any will be needed in 1957. There remain the types of assistance listed under paragraph 15 (ii), (iii) and (iv). I believe that the United Kingdom interest in preserving a friendly Malaya will be best served if we avoid any suspicion of exacting a price for the grant of full self-government by withdrawing the specific monies already promised. I therefore propose—

(a) that arrangements should be made to enable the Federation, should it attain to full self-government before the 31st March, 1960, to continue to receive assistance up to the limit in paragraph 15 (ii);

(b) that the Federation should continue up to 1962 to be able to count upon financial assistance from Her Majesty's Government as already promised for the capital cost of the expansion of her armed forces, and that, if necessary, this assistance should be increased beyond the figure of £7·2 million quoted in paragraph 15 (iii), to cover the capital cost, as may be agreed, in connection with any further expansion of those forces; and,

(c) that the arrangements in paragraph 15 (iv) should remain in force.

The Future of the Public Service

17. "Malayanisation,” or the staffing of the Public Service by local officers, has been the accepted policy of the Federation Government for a number of years. The delegation is certain to press for complete Malayanisation as quickly as possible, and political pressure will undoubtedly tend in the direction of removing overseas officers more rapidly than the country's true interests will allow. While agreeing that all reasonable steps should be taken to accelerate Malayanisation, I propose to remind the delegation of the grave damage which their administration will suffer if overseas officers leave before there are adequately qualified local officers to replace them. The aim should be, not to replace overseas officers by local officers for the sake of doing so, but to build up a loyal and efficient service in which, while Malayanisation proceeds, both local and overseas officers can feel assured that their conditions of service will continue to be governed by traditional service principles and that there will be no discrimination on racial or political grounds. A public statement to this effect by Federation Ministers on the lines of statements made by the Prime Minister of the Gold Coast and by Nigerian political leaders would go far to remove uncertainties and to reassure staff. I shall endeavour to obtain the agreement of the delegation that such a statement should be made.

18. A loyal and efficient service can be secured only by the establishment of an independent Public Service Commission entirely free from political influence. There is as yet no Public Service Commission in the Federation and I propose to urge the delegation to see that one is set up forthwith and to ensure that it is a truly independent body commanding the respect of both the Government and the Public Service.
19. I must also make it my task to safeguard the interests of those overseas officers for whom I am responsible and to secure agreement to a fair scheme of compensation for those whose terms and conditions of service and career prospects are affected by constitutional changes or by Malayanisation. Details of such a scheme will have to be worked out in consultation with the Government and the Staff Associations concerned but I propose to press for a scheme in two stages on lines similar to those followed in the Gold Coast. So long as I am able to exercise, through the High Commissioner, ultimate control in essentials over the terms and conditions of service of those officers for whom I am responsible, the scheme would permit all such officers to retire on earned pension plus a compensatory addition. When by reason of constitutional or other changes, terms and conditions of service are no longer under my control, the scheme would provide for officers to be offered lump-sum compensation. Those officers who stayed on would retain indefinitely the right to leave at any time with due compensation. They would have to become members of the local Service and forgo my protection, but they would remain members of Her Majesty’s Oversea Civil Service (where applicable) and continue to be eligible for transfer and promotion to other territories.

20. I assume that the Conference will result in constitutional changes requiring the immediate introduction of the first of these two schemes, but I also propose that it should be clearly and publicly established that a full lump-sum compensation scheme will be worked out at once and introduced at the right moment.

A. L.-B.

January, 1956
14th January, 1956

CABINET

HEROIN

Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs

At the Cabinet's meeting on 3rd January it was agreed that, for the present, powers should not be sought through new legislation to impose a ban on the manufacture of heroin in this country, but that steps should be taken to restrict manufacture to the quantities actually required for domestic, medical and scientific use (C.M. (56) 1st Conclusions, Minute 5). The Cabinet invited me to make a statement to this effect in the House of Commons at a suitable opportunity.

I now circulate for the agreement of my colleagues the draft of an Answer I would propose to make to two Questions down for 26th January asking about the introduction of legislation to ban the manufacture of heroin. I think a similar statement should be made on the same day in the House of Lords.

The Minister of Health concurs in the draft.

Draft Statement

The Government's aim in deciding to ban the manufacture of heroin was to cooperate in a widespread international effort among over 50 countries to help eliminate the abuse of the drug in various parts of the world. Before reaching the decision the Government had taken the advice of the statutory professional body set up by Parliament to advise on such medical matters. The Government have, however, been advised that it is not possible under the present law of this country to prohibit the manufacture of heroin. There is no similar legal obstacle in the way of prohibiting the export and import of heroin, and the Government have accordingly decided to prohibit entirely as from 1st January, 1956, exports of this drug to countries outside the British Isles, and all imports.

As regards manufacture, the Government have decided in the light of the legal advice which they have received and having regard to the views expressed both in and outside Parliament, that for the present they can best assist in the international objective referred to by restricting the manufacture of heroin in this country to the quantities actually required for home medical consumption and scientific use.

G. LL. -G.

Home Office, S.W.1.

14th January, 1956.
PUBLIC RECORD OFFICE

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Piece: 79
CP(56) 14

[Stamp: PRO DOCUMENT PUT IN PLACE UNDER 16 JUL 1997 SECTION 3 (4)]

(date): 5 Nov 1986
(Signed): [Signature]
I have learned that the East German Government may offer an appointment to Dr. Nunn May. In that event, he may wish to visit East Germany to investigate the offer; he may therefore apply for a passport.

2. On Dr. Nunn May's release from prison in December, 1952, the Cabinet decided that if he applied for a passport his application should be refused (C.C.,(52) 108th Conclusions, Minute 6). This decision took account of precedents which suggested that in the very rare cases where the activities of an individual are notoriously undesirable or dangerous Parliament may be expected to uphold a decision to refuse him a passport. Applications by Nunn May for a passport since then have been refused, principally on the ground that if one were issued to him he might defect, and that his defection would seriously prejudice Anglo-American negotiations on the exchange of information about atomic matters.

3. If Dr. Nunn May applies for a passport the following considerations will apply:

In favour

(i) The Anglo-American agreements on the exchange of information about atomic matters were signed in June and came into force in July last;

(ii) In August last, the Prime Minister agreed to a proposal by the Foreign Secretary and the Home Secretary that a passport should be issued to Mrs. Nunn May in order to enable her to visit Austria on holiday;

(iii) Strictly from the point of view of security, there is no objection to Nunn May leaving the country, since he possesses no technical information which would be of value to the Russians; in Sir John Cockcroft's view Nunn May was never outstanding as an academic worker; he is intellectually definitely not in the alpha plus category and it is doubtful whether he even deserves an alpha rating; this view is confirmed by Sir Edwin Plowden;
(iv) Nunn May does not, in law, need a passport to leave the United Kingdom; to do so he needs only to establish his identity and status, e.g., by a birth certificate; with certain delays and difficulties he may well be able to reach East Germany without a passport; nor would he need one in order to re-enter the United Kingdom;

(v) although there would be special considerations in this particular case a section of public opinion is opposed in principle to the refusal of passports, which it looks upon as a hindrance to the freedom of movement and an infringement of the rights of the individual.

Against

(1) Nunn May's wife is known to hold Communist views and he himself is thought still to favour them;

(2) the fact that the Anglo-American Agreements on atomic energy are now in force (see (i) above) does not mean that Anglo-American co-operation on atomic matters is necessarily ensured for the future on the scale we desire; in the telegram attached (Annex A) H.M. Ambassador, Washington, has strongly represented that Nunn May's defection, harmless as it may be from the scientific point of view, is likely to produce a severe reaction in the United States unfavourable to the expanded co-operation on atomic energy matters which we seek.

4. The position therefore seems to be as follows:

(a) We do not believe that in itself Nunn May's defection to Eastern Germany would be harmful to our security or beneficial, from the point of view of nuclear research, to a potential enemy;

(b) if Nunn May is determined to leave the country he can do so without a passport but, on past form, it seems probable that if he decides to leave he will apply for a passport;

(c) I am not under a legal obligation to grant a passport to anyone, but in practice passports are only refused when, because of the nature of the case, Parliament may be expected to uphold the decision;

(d) the question at issue is therefore whether continued and expanded co-operation with the United States on atomic energy matters justifies the denial of a passport.

5. This question is a very delicate one and I shall be glad to know the views of my colleagues.

S. L.

Foreign Office, S.W.1.

14th January, 1956.
ANNEX A

Following personal from the Ambassador.

This matter should be looked at in the light of our specific objectives in the atomic energy field as far as the United States Government is concerned.

These are:

(a) to ensure our raw material requirements over the next ten years;

(b) to get agreement to the exchange of information about nuclear propulsion and other "package" reactors;

(c) to secure substantial quantities of fissile material (U. 235) and other materials needed for the United Kingdom programme;

(d) to make the exchange of information under the two existing agreements fully effective.

2. Of these certainly (b) and (c) and probably (a) require formal or informal approval of the Joint Congressional Committee, which is also in a position to impede the achievement of (d).

3. It may very well be that Dr. May's usefulness on the other side of the Iron Curtain is limited as suggested in paragraph 2 of your telegram, but even friendly Americans are incapable of taking so objective and temperate a view. The uneasiness about our security arrangements and about our handling of such cases as that of Dr. May, which was once more aroused by the press campaign in the United Kingdom on the Burgess and Maclean case, is I hope, now subsiding. In my view, it would be folly to raise it again by letting Dr. May cross the Iron Curtain.

4. I dare say that the effect of allowing him to go would be no more lasting than the effect of other cases has been lasting in any specific sense. In other words it would probably not be permanent. But it would certainly be severe, and quite severe enough to prevent, during the present session of Congress, the attainment of the objectives which I have set out in paragraph 1. It would give the opportunity to those elements in the Congress, and also in the Commission itself, which are hostile to more extended co-operation with us and who, for one reason or another, wish to embarrass Admiral Strauss, to combine to defeat any further development of Anglo-American co-operation in this field. You will of course realise that if such a setback were to occur, a full year would elapse before we could hope to recover lost ground.

5. My view is therefore that Dr. May should at all costs be prevented from leaving the United Kingdom until the adjournment of Congress and such time thereafter as may be necessary for the A.E.C., to put into effect whatever decisions have emerged from Congress in the atomic field of importance to our atomic energy co-operation.
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CABINET

NEWSPRINT

Memorandum by the President of the Board of Trade

My colleagues will recall that they approved the proposals which I put to them last July with regard to newsprint rationing (C.M. (55) 27th Conclusions, Minute 6). These involved two steps:

(a) a high ceiling for imports which would effectively allow the newspapers to buy all the newsprint they can find, i.e. the Government would no longer be the limiting factor on supplies;

(b) an ending of statutory controls on distribution subject to preserving the position of the small users.

In accordance with these decisions, I announced last August the Government's intention to end the rationing of newsprint after a period of six months, which was provided to enable the manufacturers and users of newsprint to arrange among themselves to regulate consumption within the supplies available. I said that the Government would require to be assured that adequate provision had been made for the small newspapers.

2. I said in my previous submission that I would review the position in December, and this I have now done. The outcome is that the Newsprint Supply Company (which represents all the large national daily and Sunday papers) and the Newspaper Society (covering all the provincial press, including the small weeklies) have, with one dissentient ("The Times") asked for the existing controls to be continued after next March.

3. The Newsprint Supply Company have represented that supplies are insufficient to permit the unrestricted use of newsprint; that the future outlook is less satisfactory than it was last August, due to the large and unexpected increase in world demand (especially in the United States); and that recent changes in the newspaper industry, including some increases in price and some amalgamations, have added to their difficulties. While they have made every effort to secure an agreement to share out what newsprint is available, they have failed.

4. The home mills have entered into commercial contracts with several newspapers which exceed in total by some 20 per cent their present rate of output. Increased production by the home mills would not enable them to meet current contracts in full before 1958. A number of the smaller users have no contracts with the home mills. Revocation of controls automatically makes these contracts operative, and no contract
holder was prepared to concede his rights to allow sufficient to be retained by the home mills to meet the essential needs of the small consumers. While the home mills were anxious, even to the point of risking possible action in the Courts, to safeguard the position of the small users, my considered view is that such an onus should not be placed on the manufacturers of newsprint nor should the position of the smaller users be left in such a state of doubt. Much against my desires and wishes, I have, therefore, been forced to conclude that some control must continue for the time being. We can at least now say that we are continuing control at the express request of the newspapers.

5. The position of "The Times" is that so long ago as 1950 they made it clear that they would take steps to overcome their raw materials shortage by arranging for the installation of new capacity by a paper manufacturer to produce "mechanical printing paper" (which is a better and substantially more expensive form of paper of the kind used by magazines, and which is not rationed). This new capacity, I understand, is financed, or largely financed, by "The Times". The machine is just about to start production. "The Times" had planned to change to this paper, and would then surrender some 10,000 tons of newsprint which it is at present using annually.

6. Having, by its own enterprise, provided for all the paper which it would need, "The Times" wished to increase its size from an average of 15 pages a day, to which it is now restricted, to 24 pages. "The Times" has told me that it would not be economic to use this better quality paper unless it publishes an average of approximately 21 pages daily.

7. There are three courses open to me:

(i) To proceed to de-ration newsprint and the newspapers next March, as intended. It is in many ways tempting to do this. Until they were offered freedom the Press persistently clamoured for it. A substantially larger quantity of newsprint is available now than in previous years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons</th>
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<tbody>
<tr>
<td>1953</td>
<td>649,000</td>
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<tr>
<td>1954</td>
<td>722,000</td>
</tr>
<tr>
<td>1955</td>
<td>315,300</td>
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<tr>
<td>1956</td>
<td>870,000 (estimated)</td>
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But this compares with pre-war consumption of 1,100,000 tons. To end rationing would be against the express wishes of the whole of the national and provincial press, excepting "The Times", and would on the latest advice I have from the Newsprint Supply Company run the risk of many of the smaller weekly and provincial papers and the other users of newsprint having serious trouble in getting their newsprint.

(ii) To ration all newspapers using newsprint, but to free any newspaper using the better quality and more expensive mechanical printing paper. I have discussed with the newspapers a number of ways in which control might be retained for newsprint while permitting the free use of mechanical printing paper. The conclusion reached in
every case, however, was that there were serious objections which made the course impracticable. The difficulty would be caused by a chain reaction, started by the "Daily Telegraph" and followed by other national newspapers trying to keep up with "The Times" or the "Daily Telegraph". While, for economic reasons, the switch to mechanical printing paper might not be large, there might be sufficient diversion of productive capacity from newsprint to mechanical printing paper to create serious problems for the other newspapers still using newsprint, together with a scramble for the mechanical printings at present used by the periodicals.

(iii) To accept the request of the Newsprint Supply Company for rationing and make the best judgment that I can in the dispute between them and "The Times". There is a wide gulf between them and "The Times". The figure which the Newsprint Supply Company would have in mind for "The Times" is 15 pages while "The Times" contemplate 24. In my judgment the sensible course is to fix a figure of 21 pages for "The Times" which is the minimum at which they consider that they can economically adopt their new methods of printing. This figure would be conditional upon them giving up to the Newsprint Supply Company the whole of their newsprint allocation. In the unlikely event of any other newspaper changing over wholly to mechanical printing paper obtained from new capacity, it would have to be treated in a similar way to "The Times".

8. I seek the approval of my colleagues for the last of the courses in paragraph 7. I cannot assert that it will be uncontroversial. There is no solution of the newsprint problem which avoids controversy - faced, however, with a demand for rationing and a disagreement as to what the ration for "The Times" should be, we must make the best judgment that we can.

9. I would add that throughout my talks with the representatives of the Newsprint Supply Company I have pointed out the invidious position in which the Press are placing themselves by their request for continued control. Shortage of material is not necessarily an argument for Government rationing. Many industries are short of raw material or compelled to seek more expensive substitutes. I am anxious to avoid the real danger of finding ourselves in permanent control over the size of newspapers. I have told the Newsprint Supply Company that in announcing the continuance of any scheme I will only do so upon the basis that it is at their express request and to obviate the risk to the small papers if we get rid of it too soon. It is even possible that by the end of this year the removal of the Defence Powers under which controls are operated will be very much a political matter, and it would be difficult, if not impossible, to advance a case for continued operation of Defence Regulations solely to retain, at the request of the Press, a statutory control on the distribution and use of newsprint. In these circumstances we can only reluctantly acquiesce in a continuance of control upon the basis that every effort will be made to remove it by the end of this year.

P.T.

Board of Trade, S.W.1.
18th January, 1956.
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P.T.

Board of Trade, S.W.1.
10th January, 1956.
PROPOSALS TO BE SUBMITTED TO THE VOTERS AT THE REFERENDUM TO BE HELD ON 11th AND 12th FEBRUARY, 1956

The underlying principle of the Malta Labour Government's proposals for closer association with Great Britain on which negotiations will be conducted with Her Majesty's Government in the United Kingdom, is a complete equality of status between the two peoples. The proposals embody the following basic features:

I.—Constitutional

1. Malta would have representatives with full voting powers in the Parliament at Westminster, elected in the same way as Members in the United Kingdom.

2. The Parliament at Westminster would have exclusive authority in matters of defence and foreign affairs and, at an appropriate future date, direct taxation.

3. The powers of the Maltese Parliament would be extended and would embrace all matters other than those mentioned in paragraph 2 above. The Maltese Parliament would be responsible for legislation in all internal matters including, in particular, those affecting the position of the Church in these Islands, education, marriage and family life, always acknowledging the principle of religious toleration as embodied in the Declaration of Rights of 1802 and in recent Constitutions. This would mean that the new constitutional relationship would leave intact the power of the people of Malta to protect their own religion and their own Ecclesiastical Establishment. Her Majesty's Government would confirm the assurance they have already given in regard to religious matters.

4. The present dyarchical system of government in Malta would be abolished and there would be a representative of Her Majesty's Government in Malta to
carry out the policy of that Government in regard to defence and foreign affairs, and to consult and collaborate with the Maltese Government in matters of joint concern.

II.—Economic

Under the new constitutional relationship between the two peoples, agreements covering a number of years for financial and other assistance would be sought with Her Majesty's Government to support a development plan the objective of which would be equivalence of standards with Great Britain:—

(a) by the gradual raising of the standard of living of the people of these Islands and in particular of their social services;
(b) by maintaining employment, the increase of opportunities outside Service establishments and the gradual raising of wages;
(c) by raising direct taxation as the national income and the taxable capacity of the people increase.

III.—Consultative

Machinery for close consultation and collaboration between the two Governments would be established on the following lines:—

(a) A Defence Council in Malta, of which the Maltese Prime Minister would be a member. The Council would be used to inform the Maltese Government of developments in defence and foreign affairs and for the discussion of these matters in so far as they affect Malta;
(b) A committee in Malta, composed of representatives of the Maltese Government and Her Majesty's Government, for the consideration of economic and financial matters of common concern;
(c) A Joint Standing Ministerial Committee in London, to consider at the highest level any issue of particular importance or difficulty affecting Malta. The Committee would meet regularly to provide a means of consultation and the exchange of information between the two Governments.
CABINET

THE ECONOMIC SITUATION

Memorandum by the Chancellor of the Exchequer

1. In my previous memorandum (C.P. (56) 7) I gave the reasons which led me to think that the inflationary pressure in the economic system was seriously endangering our position. So long as inflation continues our reserves will be further run down and internal wages and prices will continue to be forced up. We must now decide on the measures we must take to remedy this state of affairs.

2. Public opinion is not only ready for resolute action but expects it. If we fail now, we shall be discredited as a Government. If we succeed, it will make all the other things we hope to do during our present term of office very much easier.

3. What is needed is to take a substantial block from the load now pressing on our resources. I believe that the measures we have already taken have begun to reduce the overload and will become progressively more effective once it is believed that we are serious. This will give us a tide in our favour instead of against us, as it is now. But we cannot afford to wait. Nor need we fear that we shall overdo it. The methods of reversing a deflation which has gone too far are well known and because they involve spending or tax concessions are likely to be only too easy from a political point of view.

4. Our measures must satisfy three requirements

(a) They must show that we intend to be firm.

(b) They must take effect quickly. Steps which will only affect activity in a year's time are useless in the present situation.

(c) The Government must be seen to be making an adequate contribution in the field over which it has direct or indirect control.

5. I start by setting out very briefly the various measures which I think we should take. I would hope that decisions could be taken on all these measures in the very near future and that as many as possible of them could be announced together at an early date. For reasons which will be evident, not all of them could be so announced. I deal with the timing of the announcements in the final paragraph of this paper.

I. MONETARY AND FINANCIAL MEASURES

Credit Policy

6. I attach the utmost importance to the continuance of the measures under this head instituted by my predecessor. Indeed, it is necessary that these measures should now be intensified. I will not enlarge further on this subject here; I may have something more to say to my colleagues orally. I also want to mention the effect of the credit squeeze of the Government's borrowing
programme, particularly that for the nationalised industries. (My
suggestions for reducing the investment programmes of these
industries are in paragraphs 15-22). But the point with which I am
immediately concerned is that the heavy borrowing programme of these
industries - estimated at about £275 m. in 1956 - makes it much more
difficult to intensify the credit squeeze and tends to destroy any
belief that the Government will succeed in curbing inflation. I am
therefore convinced that we must find some means of easing this
problem. I am having the whole problem examined urgently and I hope
to put specific proposals to my colleagues at a later stage.

Hire Purchase

7. The present restrictions have helped to check demand. But
they can do more. I am asking the President of the Board of Trade
to consider additional measures. First, to take the power to
control hire. Secondly, to increase the minimum down-payments
required for consumer goods. I suggest that for motor-cars,
radios and television sets the minimum deposit should be raised from
the present 33% to 50%; for furniture, bicycles and cookers the
deposit should go up from 15% to 20%. Thirdly, to extend the
control which is now confined to consumer goods to a representative
range of capital goods. As a starting point, I suggest that the
range should at least include the capital goods which are subject
to hire purchase restrictions up to July 1956 - that is motor
coaches, goods vehicles and office furniture and machinery. But I
think it is important that hire purchase control should be used to
exercise a general check on investment demand just as it does now
on consumer demand. I am therefore asking the President to prepare
a comprehensive list, but to discuss the contents with the Treasury
and other Ministers concerned before action is taken.

Savings

8. What the National Savings Movement really needs is an
assurance that inflation will be checked so that money saved does
not lose its value. Improved securities and inducements cannot
take the place of this assurance. But I think it is right to
see whether any improvements cannot be made. In particular I have
in mind the scope for tax inducements and the need to provide the
movement with something new to sell to the public. I am considering
various suggestions under this head.

9. One of these is that the Movement might offer to the public a
premium bond - not a lottery in which the investor loses his stake
but a scheme in which the money saved remains intact; but instead
of earning interest, the equivalent of the interest is distributed
in money prizes drawn by lot. It is not worth spending time and
staff on organising such a security unless the National Savings
Movement is prepared to welcome it and make it a success. I propose
to discuss it with Lord Mackintosh and go ahead if we can draw up
a practical scheme which the Movement will adopt wholeheartedly,
but not otherwise.

II. INVESTMENT

10. Much of our troubles are due to the investment boom. Though
the objects of this investment may be admirable, we must go more
slowly in both the public and the private sectors.

11. In the public sector the nationalised industries are planning
to do 16% more investment in 1956-57 than in 1955-56, central
government 17% more and local authorities 6% more. Only in housing,
taking public and private house-building together, is any reduction
forecast,
foreseen, and that of far too small an amount to offset these massive increases. Our first duty must be to reduce the load which those sectors of the economy which are directly or indirectly under our control place on our resources.

12. We cannot make any impression on the problem if we regard any part of these expenditures as sacrosanct, nor if we regard ourselves as precluded from stretching out programmes which have already received our approval, collectively or individually. Obviously, it would be stupid to delay works which have already started. They should be pushed ahead. But if we can agree to defer work which has not yet started, we can bring the load which investment is placing on our resources within manageable proportions.

13. The adjustments necessary to do this must, of course, be seen to conform to carefully considered plans. Postponements must have regard to the priorities appropriate in each case and the programmes must be properly rephased. This is particularly necessary on the British Transport Commission's programme which is referred to in paragraphs 15 and 16 and which seems to me to require quite radical reconsideration.

14. I ask my colleagues to accept these broad principles.

NATIONALISED INDUSTRIES

British Transport Commission

15. The investment of the railways is planned to increase from £64 million in 1955 to £98 million in 1956. I know that the railways have been held back, and that they have been encouraged to go ahead with a modernisation plan. But this is more than can be managed - probably far more than they will be able to do. I propose that at least £20 million of this work be deferred until next year.

16. The investment of the B.T.C. in other fields is planned to increase by £17 million - a 100% increase. Most of this is for replacement of the British Road Services fleet. I propose that at least £10 million of this be deferred.

National Coal Board

17. This investment is planned to increase from nearly £100 million in 1955 by a further £7 million. We have never previously sought to reduce the N.C.B. investment, but this year I think we should ask for some contribution. I propose that £7 million of this investment should be considered for deferment, if practicable.

Central Electricity Authority

18. Investment in distribution is planned for £72 million, almost the same figure as last year. This, thanks to the efforts of the previous Minister of Fuel and Power and the co-operation of the C.E.A., is already lower than the Authority had hoped for next year - and it implies "a substantial slowing down of the rural electrification programme" which we clearly must accept. But I am afraid that we must ask for more. I suggest that a further £5 million - about 7½% - be deferred.

19. In addition, well over £100 million is planned for generating stations. Most of this is for stations now being built and for plant already being made. But some part will almost certainly be for stations to be started, and for contracts for plant to be placed within the year. I cannot quantify the saving that can be made, but I do suggest that these projects be deferred.
South of Scotland Electricity Board

20. Their investment is said to be planned to increase from a rate of about £15 million in 1955 to nearly £19 1/2 million in 1956. The Board has only recently acquired an independent existence and it may be that estimating difficulties have still to be overcome; in any event, I cannot believe that such an increase is practicable. I suggest that in the fields both of distribution and generation reductions should be made parallel to those we are asking from the Central Electricity Authority.

Gas Council

21. The investment planned for 1956-57 is £56 million, nearly £5 million less than 1955-56. I am very grateful for this reduction, which represents, I know, a very real effort. But, none the less, I suggest a further deferment of £1 to £1 1/2 million, about 2 1/2%.

The Air Corporations

22. B.O.A.C. plans to spend over £16 million more this year, a great part in dollars to buy D.C.7 aircraft on an insurance. B.E.A. plans to spend £4 1/2 million more this year. I make no positive suggestions, but I do ask that the Minister examine most carefully with the Corporations whether some part of this larger investment cannot be deferred.

Central Government

23. It is at present proposed that the total capital expenditure to be borne on Votes in 1956-57 should be about £240 million, nearly £40 million more than in 1955-56. However essential all this expenditure may be, we cannot defend at this time so great an increase. I ask that all my colleagues look again to see whether some part of these programmes cannot be deferred. In particular, I have the following proposals.

/Hospital Programmes
Hospital Programmes (Great Britain)

21. £15.7 million is to be spent in 1956-7 (inclusive of Scotland). We are committed to programmes which will raise expenditure to £21 million in 1957/8. We have twice reiterated that these programmes will not be cut. Nevertheless, I must ask for a reduction to £14 million in 1956/7. I must also ask that commitments should not be made which will compel us to carry the programme above £15 million in 1957/8.

Atomic Energy

25. This is expected to rise from over £28 million this year to nearly £40 million next year, though shortage of staff may again prevent the Authority doing as much as it would like. I do not wish to hold back this vital activity but suggest that like everyone else, by trying to do a little less in one year, they may help everyone, including themselves, to do a little more over a rather longer period.

Post Office

26. A very large increase, from nearly £91 million to nearly £99 million, is proposed. In the altered circumstances, I do not see how we can now justify an increase. The Post Office, like other parts of the economy, must take account of the national situation, and I must ask that their programme should be kept at £91 m.

Development Areas

27. We are spending about £5 million a year on building factories and extending existing factories in the Development Areas - this at a time when our trouble is too much employment, not too little. We cannot stop work already in hand, but I suggest that we ought to impose a 6-month standstill on new commitments.

Government Building

28. In addition to the services mentioned above, other increases in Government building are proposed. For example, expenditure on Food and Petroleum stores is to increase by nearly £3 millions, an increase of over 60%. In view of the load on the building industry, I should like to see us spending less on all Government building in 1956/57, but if this is impossible we ought at least not to spend more. I am asking the Minister of Works to look carefully at every project in conjunction with the Treasury with a view to possible postponement.

Home Defence

29. It was recently decided to provide £55 millions for Home Defence expenditure in 1956/57. Of this total, £38 millions was for the development of various branches of the Home Defence organisation and the balance was for the stockpiling of food and other items, including the consequential storage. In view of our pressing current problems, I must ask for this decision to be reconsidered. I accept the need for recruiting and training the civil defence and allied services, for maintenance costs relating to the existing stockpile and for finishing works that are well on the way to completion. But in present circumstances I see no positive merit - and indeed I see great disadvantage - in buying food.
oil and medical supplies for the stockpile; if we stopped this we would save £7.5 million. We need not go ahead so fast with works for the storage of oil, and I suggest a cut of £1.5 million. It is proposed to spend far more next year than this on the purchase of fire fighting equipment, and I suggest a cut of £2.5 million (from a total of £4.5 million). I would stop the building of protective works for headquarters to control rooms, saving £0.45 million. And I would cut £1.5 million off the public utility works. I would also cut the Post Office constructional work from £9 millions to £8 millions. By these or other reductions I would bring the total for home defence down to about £38 millions. No one would really be much the worse for this and the national finances and balance of payments (in respect of the buying of food and oil) would benefit considerably.

LOCAL AUTHORITIES

Capital expenditure other than Housing, Education and Roads

30. There is no Central Government control over most of this except through the loan sanction. Investment in 1955/56 is estimated to amount to £122 million of which the main elements are:

<table>
<thead>
<tr>
<th>Service</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>37.9</td>
</tr>
<tr>
<td>Sewerage</td>
<td>33.8</td>
</tr>
<tr>
<td>Miscellaneous Local Services</td>
<td>19.0</td>
</tr>
<tr>
<td>Health Services</td>
<td>5.1</td>
</tr>
<tr>
<td>Coast Protection and Drainage</td>
<td>8.0</td>
</tr>
</tbody>
</table>

"Miscellaneous" is running at 50% more in 1955/6 than 1954/5. In the first two quarters only £2.8 of applications were rejected.

31. I must ask that no further loan sanctions for "Miscellaneous" Services be granted for a period of 6 months, except to enable projects in progress to be completed or with the approval of the Treasury to meet really exceptional circumstances. For Water and Sewerage the control should be operated to reduce the total value of starts to the 1954/5 level. In both cases the position can be reviewed after 6 months.

Housing

32. The effects of the changes in the subsidy policy and interest rates cannot yet be estimated. My predecessor agreed with the Minister of Housing and Local Government that he should work - so far as he is able to influence matters - to produce a total of 120,000 subsidised houses and 270,000 houses in all, the latter being a figure for Great Britain. The next step in housing must be the abolition of the general needs subsidy and a revision of the Rent Restriction Acts with the raising of controlled rents.

33. Until this has been done, we cannot reduce the subsidies on existing as distinct from newly constructed houses. I should have liked to take this next step this session but I realise that for various reasons this is impracticable. But, this being so, I regard it as essential that a Bill to modify the Rent Restriction Acts should be prepared and given first /place
place in the Autumn Session. This means that we must determine the policy of the measure in the very near future because the drafting of the measure will involve many difficult points. We shall not be ready in the autumn if the Bill is not substantially complete before the recess. I would ask that preparatory work should be pressed on and that a Ministerial Committee should be constituted forthwith to deal with this matter.

Education

31. In 1954/5 £63 million of work was started. Projects costing £20 million have been authorised to start in 1955/6. Actual investment in 1955/6 is about £57.5 million. The load on the economy is rising at about £5 million a year. For 1956/7 the proposed programme of starts is:—

<table>
<thead>
<tr>
<th>Item</th>
<th>Estimated Cost (£m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Primary and Secondary Schools</td>
<td>57</td>
</tr>
<tr>
<td>2. Further Education</td>
<td>9</td>
</tr>
<tr>
<td>3. Other Education Services (Training Colleges, special schools etc.)</td>
<td>3</td>
</tr>
<tr>
<td>4. Minor Capital Projects (uncontrolled)</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>30</td>
</tr>
</tbody>
</table>

32. In addition it is now proposed to increase the planned expenditure on technical education over the next five years from £45 million to £71 million. Expenditure under item 4 may be underestimated.

36. In November, 1954, the Cabinet approved the Minister of Education's proposals for rural reorganisation which were then expected to cost about £20 million spread over five years, and limited to £5 million in the first year. No large scale increase in technical education building was then proposed. £12 million of rural reorganisation was started in 1955/6, and next year's programme includes £6 million. There is still £22 million more to be started in three years. The total cost of this programme is twice as much as when the Cabinet approved it. This work is not essential to provide school places for the bulge or for movement of population. In view of the impending increase in the technical education programme I must ask:—

(a) That Local Education Authorities be instructed to defer until 1957/8 any rural reorganisation projects already authorised but not started.

(b) That the rest of the rural reorganisation programme be deferred until after the bulge has been provided for.

(c) That the total programme of education building starts in 1955/7 be reduced from £80 million to £70 million.

(d) The miscellaneous uncontrolled investment must not rise in 1956/7 above the estimate of £11 million.
37. If these plans for the educational programmes are agreed, it may be necessary, in order to ensure that the new total limits are observed, to withdraw the present arrangement by which Local Authorities are not subject to control for projects costing less than £10,000. I must ask the Minister to consider this.

38. A comparable reduction should also be made in the programme of the Scottish Education Department.

Roads

39. We are at present committed to a programme of expenditure on major works and new roads which will cost £16 millions in 1956/57 and rise to a maximum of some £hO millions in 1959/60. I am not immediately concerned with the years after 1956/57, which we can discuss later. The Minister has, however, suggested an addition to the programme of some £5 millions, of which about £600,000 would be spent in 1956/57. I cannot agree to such an addition. It is difficult to see how roads can be exempted from making some contribution to the solution of the problem we now face. I must therefore ask the Minister to examine whether it is not possible for him somewhat to slow down his programme in 1956/57 so as to show a positive reduction of the expenditure previously agreed for 1956/57.

PRIVATE INDUSTRY AND COMMERCE

40. For the first time the President of the Board of Trade has received from a large and representative sample of firms a forecast of their intentions. This forecast, which we must treat with great caution until we have more experience of its reliability, suggests that private industry is planning for at least as large an increase in investment in 1956 as occurred in 1955. Desirable though this is in itself, it is happening too quickly.

41. Since the abolition of building licensing in 1954, we have no method of direct control over private investment. We have to rely on monetary and fiscal measures, on which, as stated in paragraph 6, I propose to say something to my colleagues.

42. The consequences of a continuance of this overexuberant investment boom are so serious that I have been considering whether we should not re-introduce some direct control of building. The difficulties of doing this are admittedly great. It would require legislation of a most unattractive kind. It would be necessary to build up the staff of the Ministry of Works, and probably of the "sponsoring" Departments as well - a move which would take some time. The control when introduced would not be fully satisfactory in its operation for several months. We should probably have to begin by a "crash" operation, prohibiting all new starts; this would inevitably create a number of embarrassing individual problems. But the situation is such that I feel I must press on with an examination of this and I am asking the Minister of Works to work out the outline of a scheme.

/43. But
JU3. But whether or not we can take some measure of direct control of private investment, a deferment of capital expenditure of the nationalised industries, central government and local authorities is vital. Politically, if we institute building control, we should have to be able to demonstrate that the public sector was being treated comparably. If we decide not to institute building control, then the need to take adequate action in the public sector becomes the more imperative.

III. GOVERNMENT EXPENDITURE

44. The rate of Government expenditure has a double impact upon the inflationary position. In the first place, so far as concerns expenditure on capital account, it adds to the burden of already over-loaded industries, especially building and engineering. In the second place, a reduction in Government expenditure would diminish the Government’s demands on our labour and other resources, and the purchasing power which results from Government disbursements: and by making it possible for the Government to borrow less would assist our credit policy. From these points of view I may find it necessary to ask my colleagues to effect further reductions of expenditure in the course of the year, within the Estimates as finally approved.

/DEFENCE
DEFENCE

45. Defence is the heaviest of our necessary burdens and we must make economies wherever we can. It is not too early to select our objectives. I suggest the following:

The Navy

46. I have no specific proposals to make at this stage on the strength of the Navy or the character of its armaments. I would hope however that the drive for economy will not be relaxed, and in particular that the Navy (and the other Services as well) will see that there is no unnecessary accumulation of stocks.

The Army

47. The War Office have already said that a generous pay award (which they have been given) might make it possible for them to manage with six regular divisions and five brigades, I should be grateful to know how this would be accomplished, by what date, and what the full consequential savings would be. In the meantime I suggest that we should aim at reducing the Army by one Division. If possible, this should be done by reducing the number of Divisions in Germany by one. In this way we should save not merely the cost of the Division but also the burden on our balance of payments of maintaining a Division overseas. If this should not prove possible, we should seek our Allies' agreement to regarding one of the Divisions in Germany as our strategic reserve.

The R.A.F.

48. It seems likely that as the years go by the air defence of this country, so far as it is practicable at all, will depend less and less on manned fighters and more and more on the use of guided weapons. I suggest that the Defence Committee should be asked to consider this matter with a view to recommending a date by which this new concept of air defence should become effective. In the meantime we should aim at progressive reductions in the amounts spent on manned fighters, starting with research and development into fighter aircraft.

Defence Research and Development

49. Our expenditure on Defence Research and Development goes up and up. I believe we may already have reached the point at which not only defence but the civil economy suffers through our effort to do too much. I propose that, as a first step, an objective statement should be prepared of the impact on industry and on our scientific and technical resources of the Services' demands. Here again effort must be made more selective.

/CIVIL
CIVIL EXPENDITURE

Bread Subsidy

50. I propose that the bread subsidy should be abolished. It costs £115 m. a year. It involves a subsidy and price control methods which have been almost entirely abandoned by this Government as instruments of our economic policy. The bakers, large and small, want to get rid of it. The result would be an increase of 1½ points on the retail price index. It is equal to 2½d. on the 1½ lb. loaf (which costs 7½d.) and the average expenditure on bread per head per week would go up from 1s. 3d. to 1s. 5d.

Milk

51. I propose that the retail price of milk should be raised by ½d. per pint. This would save £20 m. in a full year. The retail price of milk has not been changed since August 1954, though costs of distribution have risen sharply. To judge by past experience, consumption should not fall significantly. The All Items Index would rise by 0.43 points.

Agricultural Review

52. The agricultural subsidies will cost about £210 m. this year. There has been a big rise in costs and the farmers will press hard for an increase. We must resist this and strive for a positive reduction. Moreover, whatever the total figures, we must try to distribute the subsidies in ways which will best help our economy. For instance, we should give an incentive to the fullest use of home-grown feedingstuffs by encouraging the production of animals which live on the land rather than on imports - that is, cattle and sheep rather than pigs and hens. In order to achieve these objectives it may be necessary, and indeed salutary, to impose a settlement. We shall be considering proposals about this at the end of January.

Social Services

53. The only practical ways of securing immediate economies lie in the investment field and have been dealt with earlier in this paper.

54. There is also the question of school meals. On this I await a report from the Minister of Education.

55. In the longer term I hope for some economies from the enquiry to be undertaken by the Lord Privy Seal’s Committee of Ministers.

Administrative Expenses

56. The Civil Service has already been reduced by about 50,000 since the end of 1951. But we must do more. The Prime Minister has promised a reduction of 10-15,000 over a period. If, as I hope, we carry out the recommendation of the Priestley Commission as regards hours and overtime and thereby get rid of the present anomalous and expensive arrangements whereby a lot of regular overtime is worked, this may mean that Departments may have to bring about a slightly larger reduction than the 10,000-15,000 promised by the Prime Minister. This reduction covers the Service Departments as well as the Civil Departments.
57. The reduction proposed cannot be brought about by a uniform percentage cut over all Departments. If my colleagues agree, I propose that the Treasury should in the first instance discuss with Departments how the reduction can best be spread. I am sure that all my colleagues will help in this essential measure. But it is clear that we cannot bring about the reduction proposed simply by improved organisation, although this will make its contribution. To some extent reduction will involve the curtailment or even the abolition of certain minor services now carried out and the lowering of the standard of other services. We can save a lot of staff by doing certain things less elaborately. A special scrutiny must also be applied to staff overseas. Here there is a double saving to be secured. Not only a saving to the Exchequer but a reduction in the burden on the balance of payments. The test we must apply is whether the employment of officers overseas is essential, not whether it is simply desirable. I hope we shall also make a concerted endeavour to reduce the size of the delegations which visit so many international conferences.

58. Equally I must ask my colleagues in the Service Departments to make a contribution by reducing the number of Service personnel employed in their Departments.

IV. IMPORTS

Coal Supplies

59. I have asked the Minister of Fuel and Power what can be done to reduce the heavy burden placed upon our balance of payments this winter by imported coal. The Minister tells me he has already arranged to reduce the winter import programme from 6.5 million tons to 5.5 million tons, a saving of 1.2 million tons and over £8 million, and is considering urgently whether more can be done. This will be a big help, and I am grateful for the Minister's co-operation.

60. The Minister will shortly be circulating a paper on the general fuel and power situation. One point I would like to stress at this stage is the importance, in our present difficulties, of maintaining open-cast coal production. The agricultural pros and cons and the compensation problems will have to be looked at urgently.

Steel

61. The import of steel is also very expensive. The present control of steel prices conceals the cost of imports and operates as an incentive to the export of unfinished and semi-finished steel, thus to some extent diverting supplies from exports with much higher conversion values. Furthermore, we have to remember that higher steel prices are bound to give the steel industry a stronger incentive to expand steel-making capacity; and all the indications are that a substantial expansion of capacity is going to be badly needed in the next decade.

62. I am, of course, aware that dearer steel would affect the cost of our engineering exports. But I am sure that the balance of economic advantage lies on the side of ending this price control, and I therefore propose that a study should be made at once of what this step would involve.
Import Controls

63. The increase in imports is one of our main difficulties. I am therefore considering whether some intensification of import controls would be helpful. But I must warn my colleagues that such action, even if decided upon, could not in any way be a substitute for the other measures I am proposing.

64. The effectiveness of increased import controls is necessarily limited by such things as retaliation by other countries and possible loss of confidence in sterling. They may also give rise to the need for internal controls such as allocation. But I have already asked for this question to be examined as a matter of urgency, and I may shortly have proposals to place before my colleagues.

65. If we hesitate to take the necessary steps over internal policies, a situation may develop in which we may have to carry out something in the nature of a "crash" plan of a most drastic character to limit imports. There is no need to contemplate such action now. But I propose to have a plan prepared to meet such a contingency. I must, however, warn my colleagues that even a rumour that the Government was considering such a plan might result in forestalling, with the most adverse consequences for our balance of payments.

V. CONCLUSION

66. As I said in the opening paragraphs of this paper, I would like to announce as many as possible of the measures set out at the earliest possible moment.

67. I recognise that some of the measures proposed (for example, certain of those in the defence field) need a good deal of shaping and working out before they can reach the stage of a public announcement. Nevertheless, I attach great importance to acting at once, and to acting over as wide a field as possible. It is clear that in carrying out the measures contained in this paper statements made by Ministers in and out of Parliament, and instructions to local authorities, will have to be reviewed and new instructions given.

68. As I see it, we cannot succeed unless we are resolute in our determination to do whatever is necessary to rid ourselves of the inflation which, notwithstanding the appearances of outward prosperity, is threatening the stability of our economic life. I see no way of doing this unless the nation as a whole is led by the Government to accept the fact that we are trying, as a nation, to do far more than we can achieve, that the totality of our resources is overstrained.

69. This is not a situation which can be dealt with by a cut here and a cut there. So far as possible all fields of national activity must make a contribution. Further the more readily this proposition is agreed to, the less difficulty we shall have in carrying out our proposals.

70. These proposals form the first part of a programme, which will have to be judged as a whole in relation to the Budget. Critics may say that most attention will be drawn to measures which will increase the cost of living and fall most heavily on the poorer sections of the community. It is too early to see
what may be needed in the Budget, though it will afford an opportunity to deal with the general balance of my programme. But if our policy is successful, it will produce a less inflationary climate, in which lies the best hope for stable prices. It is not one or two points on the cost of living which are at stake, but a halt to the continual increase in prices which has been almost uninterrupted since the end of the war.

H. M.

Treasury Chambers, S.W.1.

20th January, 1956.
20th January, 1956

CABINET

CYPRUS: ATHENS RADIO BROADCASTS

Memorandum by the Secretary of State for Foreign Affairs and the Secretary of State for the Colonies

Athens Radio, an official organ of the Greek Government, still continues the intolerable subversion, and incitements to violence, in its daily broadcasts to Cyprus, that have now gone on for many months. Repeated diplomatic protests to the Greek Government during the last year and more have elicited professions of regret and promises of improvement. Although control over Athens Radio is the official responsibility of the Prime Minister’s Office, almost nothing has been done to meet our protests. Possibly the worst broadcast of all, accusing Her Majesty’s Government of arranging the murder of the Turkish policeman, occurred on 12th January. The Greek Foreign Minister has told H.M. Ambassador that he is unable to take a strong line about Athens Radio for fear of being called a quisling.

2. The Cabinet considered last July whether to jam these broadcasts; but came to the conclusion that this would be inexpedient. It was thought preferable to develop counter-propaganda from the Cyprus broadcasting station (C.M. (55) 27th Conclusions, Minute 1).

3. Sir John Harding, the Governor of Cyprus, recognises the objections to jamming a foreign station. But on 23rd December, in his review of measures that he considered would be necessary in Cyprus, he stated:-

"Athens Radio is a powerful instrument through which the Greek Government aims to intervene in the internal situation in Cyprus in favour of Enosis. I had hoped that the Greek Government could be persuaded to change their policy in this respect and that the evil effects of Athens Radio might to some extent be counteracted by counter propaganda here and from London. Those hopes have proved illusory; but what is even more important from the point of view of the security campaign is that recent information, admittedly as yet uncorroborated, indicates that Athens Radio is being used by EOKA as a medium for passing operational messages in code. This has finally decided me that the time has now come when Athens Radio must be jammed in the interests of the security campaign. I realise that other considerations, both political and technical, are involved, but I most strongly urge that any disadvantages there may be should be accepted. I would be grateful if this matter could be examined as a matter of urgency and if I could have your authority to jam Athens Radio as soon as I am in a position to do so. On that point I should be glad if the equipment I have asked for could be despatched by fastest possible means."
4. We have reached the view that, provided these Athens broadcasts continue, the Governor should be given the authority he asks for. Such action could follow as soon as technically practicable, in the event of a breakdown of the discussions with Archbishop Makarios or if, in spite of agreement with him, hostile broadcasts continue.

5. We fully realise that there are strong arguments against resorting to this form of counter-attack, for example:

(a) Jamming of enemy broadcasts was never resorted to during the war since it would have been regarded as interference with freedom of speech.

(b) In the United Nations, Her Majesty's Government have supported resolutions condemning jamming.

(c) In 1952, Her Majesty's Government wrote to the Secretary-General of the United Nations saying inter-alia - "no country can pretend freedom of information . . . when it maintains the deliberate jamming of foreign broadcasts."

(d) At the Geneva Conference the Western Governments put forward proposals which contained the following - "the systematic jamming of broadcasts of news and information is a regrettable practice. It is incompatible with the directive of the Four Heads of Government and should cease."

6. The following representations have been received semi-officially from Sir Ian Jacob, the Director-General of the British Broadcasting Corporation, who is aware that the possibility of jamming the Greek broadcasts was recently under discussion:-

"I do not know whether you have given any further thought to this proposal, but in case you have I should like to emphasise to you the importance that in our view attaches to the question of jamming. At no time since international broadcasting started have we, the British, ever resorted to jamming of our opponents' transmissions. It has always been held that jamming is a policy which goes against the traditions we are seeking to uphold and is therefore unjustifiable even at times of grave stress. You may recall that shortly before the war we were much troubled in the Middle East by Italian broadcasts from Bari which were of the most mischievous kind. Our answer to them was not to seek to jam them; it was to start the B.B.C's Arabic Service. Other examples could be quoted.

... "I might add that as far as we know the only so-called member of the free world who resorts to jamming at the present time is the Chinese Government in Formosa."

7. Apart from the internal security aspect in Cyprus on which the case for jamming is overwhelming, the following arguments may be held to counter those in paragraph 5(a) and (d) above:-
(a) Besides the Chinese precedent mentioned by Sir Ian Jacob, the French Government at present jam broadcasts inciting to armed revolt in their African territories. This is not done indiscriminately and only subversive broadcasts are jammed.

(b) In doing so they rely mainly on the provisions of the League of Nations International Convention on the Use of Broadcasting of 1936. The signatories of this Convention (including the United Kingdom and Greece, although the latter did not ratify) undertook to stop without delay broadcasts which were "to the detriment of good international understanding" and which "incite the population of any territory to acts incompatible with the internal order or the security of a territory of a High Contracting Party".

(c) There are a number of United Nations resolutions condemning propaganda designed or likely to encourage violence.

(d) The defensive jamming by the French Government is not considered to be in conflict with the Three Power proposals referred to in paragraph 5(d) above.

8. If we decide to jam, the Greeks might appeal to the United Nations but, in view of the character of their broadcasts, they might well think this would be imprudent. They could jam B.B.C. broadcasts to Greece, but this would not be a serious political handicap to us. They might themselves be able to jam broadcasts from the Cyprus station and, if they could, this might be more serious.

9. On balance, we feel no doubt that, to carry out our responsibilities in Cyprus, we ought to give the Governor the authority to deal with Athens Radio as he proposes, if these broadcasts continue. When protests fail, this direct action against subversive broadcasts is the only effective counter. A foreign power cannot be allowed to incite Her Majesty's subjects to violence and disaffection, or to attempt to intimidate Her Majesty's servants.

10. We therefore seek the agreement of our colleagues that Sir John Harding should be authorised to arrange for the discriminate jamming of Athens subversive broadcasts to Cyprus (a) if the talks with the Archbishop break down, or (b) if, in spite of an agreement with the Archbishop, the hostile broadcasts continue.

S. L.
A. L. -E.

20th January, 1956.
SECRET
C.P.(56) 19
21st January, 1956

CABINET

PENSIONS (INCREASE) BILL

Note by the Lord Chancellor

I attach the report of a Sub-Committee of the Home Affairs Committee, which was set up by the Lord President under my Chairmanship to consider proposals for increases in the pensions of retired public servants. The Cabinet will recall that we have undertaken to introduce early legislation on this subject (C.M. (55) 41st Conclusions, Minute 9).

2. The Sub-Committee have asked me to circulate this report to the Cabinet because it raises important political issues which require early consideration.

K.

House of Lords, S.W.1.

20th January, 1956.
The proposals summarised in paragraphs 4 to 8 of this report are within the framework of the scheme for the pensions increase which was considered by the Cabinet last July (C.M.(55) 25th Conclusions, Minute 9). The proposals for the civilian public services would be the subject of a Bill; the Armed Forces would be dealt with separately by prerogative instruments, but the same principles, allowing for differences in the structure of the respective pensions systems, would broadly apply to both.

2. We submit this report on these proposals as a matter of urgency, since there are important political implications which require immediate consideration if, in accordance with the Financial Secretary's announcement on 17th November and the Prime Minister's speech at Bradford on 10th January, the proposals are to be put before Parliament shortly. The difficulties arise in connection with repercussions in the Ministry of Pensions and National Insurance field and with the views expressed by a Sub-Committee of the 1922 Committee about the way in which public service pensions ought to be increased.

3. The pressure for an increase in public service pensions has been widespread and is mounting; moreover, it has come to an increasing extent from those with the larger pensions who retired sometime ago and have had little or no help so far because either their pensions or other means were too high. Our colleagues will be familiar with the pressure exerted by the Officers' Pension Society, but similar views are held, though they are less forcibly expressed, by retired members of the civilian public services.

The Main Features of the Proposals

4. Hitherto pensions increases have been confined to the smaller pensions so that no benefit has been received by people who had a pension of more than £550 and private means of more than about £100 a year. (Civil servants and Forces officers who had been hit by the stabilisation of pensions in 1935 received some improvements in 1954, but that is a separate issue which does not concern us here). These limitations accord with the fairly strict definitions of hardship applied by successive Governments in the past (both Labour and Conservative) in applying the policy that increases could only be extended to those who had suffered most seriously from the rise in the cost of living.

5. If anything is to be done for those with the higher pensions, this hardship criterion has to be modified. It is proposed to do so by amending the existing Acts to get rid of the means test (i.e., the limits of total income beyond which no help is given), to eliminate the restrictions on increases by reason of the size of pension, and to eliminate the difference of treatment between pensioners with and without dependants. Also, a further increase of about 6 per cent and 10 per cent according to the length of service, up to a maximum varying between £60 and £100, would be given in recognition of the rise in the cost of living since 1952. The removal of the means test would be popular and the proposals as a whole would go a long way to meet the claims of the various bodies.
representing public service pensioners. The broad effects of these proposals on examples of retired public servants formerly in the Civil Service or the Armed Forces are shown in Annexes I and II.

6. The total cost of these proposals would be about £10/11 millions a year (of which about £8 millions would fall on the Exchequer), compared with the £14/15 millions already given under all the previous Pensions (increase) Acts and the £20/25 millions which would be involved in the proposals of the 1922 Sub-Committee presided over by Sir Lionel Heald which we discuss in paragraphs 11-13. Further details are shown in Annex III.

7. We shall certainly be criticised for appearing to give more help where it is least needed and least where it is most needed. The answer is that those getting most additional help now have had to wait a long time for it. The others have already had it and in fact in many cases the past increases are so great that there is little or no room to give more without giving older pensioners bigger pensions than those now current.

8. We consider that the proposals - which are agreed between all the Departments affected - strike a reasonable balance between the claims of retired public servants, to whom the State has a responsibility as employer, and the other responsibilities of the State as tax gatherer with an obligation to underwrite much of the social service expenditure. But before these proposals can be finally approved there are two important matters which must be considered.

Social Service Payments

9. The Minister of Pensions, while agreeing that these proposals are desirable in themselves, was concerned about the position which would arise if at about the same time as these general and novel increases were given to public service pensioners the Government were, on grounds of economy, resisting pressure for action on certain measures to help people who might generally be considered to be in greater hardship than retired senior public servants. The measures he had specially in mind are concerned with family allowances, old workmen's compensation cases, widows and the earnings rule for retirement pensions. He was also concerned about the repercussions on claims by the British Legion and the British Limbless Ex Service Men's Association for war pensioners. A short note on each is attached as Annex IV to this paper.

10. The Minister told us that he thought the position could be maintained on each of these if he could be assured that proposals for these classes could be considered on their merits and would not be subject to an absolute bar on financial grounds, and could be considered for inclusion in the Parliamentary timetable if Ministers approved changes.

11. It is not for us to attempt to strike a balance between the various claims upon the national finances or upon the Parliamentary timetable. But we consider, and the Minister agrees, that, provided the proposals which are in his mind could be considered on their merits at the time, it would be reasonable for the pensions increase proposals to go forward.

The 1922 Sub-Committee

12. Here we are in something of a dilemma. On the one hand we have generous proposals which would go a long way to meeting the claims of the public service pensioners, are as much as can be afforded, and would
certainly bring the Government considerable credit amongst those concerned, particularly by abolishing the means test feature. On the other hand we have the proposal put forward by the 1922 Sub-Committee presided over by Sir Lionel Heald, that all public service pensions should be put up to current rates. We are agreed that this proposal cannot be entertained for the following reasons -

(i) It is not practicable because the principle cannot be applied. Changes that have taken place in the great public services in the past twenty or thirty years make comparisons in many cases between old and new pensioners totally impossible. Some jobs have disappeared altogether; some public servants, e.g., many in local government had no pensions at all until quite recently; and others have changed their content so much as a result of reorganisation that it would be impossible to say with whom a man retiring in 1939 ought to be compared. Some pensioners, even, receive payment in respect of service too short to qualify for a pension today and thus on the Heald principle would get nothing. In fact, the object of a pensions increase measure, namely, to determine precisely what new rate of pension each individual shall have, is impossible to achieve on this principle. Unfortunately the 1922 Sub-Committee did not dig deeply enough into the subject to discover this although it is one of the basic facts which have to be faced.

(ii) It would be too costly. The cost would be of the order of £20-25 millions, an increase of 20 per cent-25 per cent on the present total cost of public service pensions and more than double the total cost of the scheme which we have examined. Apart from the direct cost, the grant of an increase of this size would certainly provoke repercussions elsewhere.

13. The proposals of the 1922 Sub-Committee have been considered by the Executive but have not been put before the full Committee which, having been put off twice, expects to hear about the Sub-Committee's Report very soon. If this Report were to be circulated to all members of the 1922 Committee there would almost certainly be a leak to the Press. We should then find ourselves in a most unfortunate position, since it would become known to the public service pensioners' representative bodies that a significant number of back benchers supported their claim to have all public service pensions raised to current rates. Our own generous proposals would then get off to a bad start, and the Government would get no credit for them. It is, therefore, vital to avoid this situation.

14. We have considered various means by which this can be avoided and we have come to the conclusion that there is only one way of doing so - to make an announcement of the Government's proposals in outline very soon after the House reassembles and, immediately afterwards, to explain the proposals to the 1922 Committee. This would mean making the announcement on 26th January in answer to a pre-arranged question, and explaining the matter to the 1922 Committee at its regular meeting at 6 o'clock that evening.
This may well raise difficulties with the 1922 Committee. In the first place it would be said that the usual consultations have not taken place on the Government's proposals. More forcibly it may be said that the Government have committed themselves without waiting to hear the views of the 1922 Committee on the proposals of its own Sub-Committee. But on balance we feel that these dangers are less than those in paragraph 13.

Conclusions

15. We recommend that the proposals summarised in paragraphs 4 to 0 should be endorsed; that consideration be given to the matters raised by the Minister of Pensions; and that an announcement should be made in the House next Thursday, 26th January.

19th January, 1956
ANNEX I

CIVIL SERVICE PENSIONS

<table>
<thead>
<tr>
<th>Grade</th>
<th>Length of service years</th>
<th>Year of retirement</th>
<th>Basic Pension</th>
<th>Increase already received</th>
<th>Further increase now proposed</th>
<th>Total Increases</th>
<th>Pension as finally increased</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4) (5) (6) (7) (8) (9) (10) (11)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POSTMAN</td>
<td>20</td>
<td>1939</td>
<td>49</td>
<td>88% 3% 6%</td>
<td>94% 94%</td>
<td>94% 95%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1944</td>
<td>59</td>
<td>56% 4% 6%</td>
<td>62% 57%</td>
<td>57% 56%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1948</td>
<td>75</td>
<td>29% 5% 6%</td>
<td>35% 27%</td>
<td>27% 26%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1951</td>
<td>83</td>
<td>7% 5% 6%</td>
<td>13% 11%</td>
<td>11% 10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1954</td>
<td>99</td>
<td>- - -</td>
<td>- - -</td>
<td>- - -</td>
<td></td>
</tr>
<tr>
<td>SENIOR EXECUTIVE OFFICER</td>
<td>40</td>
<td>1939</td>
<td>98</td>
<td>66% 10% 10%</td>
<td>76% 75%</td>
<td>75% 74%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1944</td>
<td>118</td>
<td>38% 12% 10%</td>
<td>48% 57%</td>
<td>57% 56%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1948</td>
<td>151</td>
<td>15% 15% 10%</td>
<td>25% 36%</td>
<td>36% 35%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1951</td>
<td>167</td>
<td>4% 17% 10%</td>
<td>14% 23%</td>
<td>23% 22%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1954</td>
<td>198</td>
<td>- - -</td>
<td>- - -</td>
<td>- - -</td>
<td></td>
</tr>
<tr>
<td>PRINCIPAL</td>
<td>20</td>
<td>1939</td>
<td>215</td>
<td>40% 13% 6%</td>
<td>46% 59%</td>
<td>59% 58%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1944</td>
<td>220</td>
<td>37% 13% 6%</td>
<td>43% 57%</td>
<td>57% 56%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1948</td>
<td>245</td>
<td>13% 15% 6%</td>
<td>19% 24%</td>
<td>24% 23%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1951</td>
<td>256</td>
<td>6% 15% 6%</td>
<td>8% 21%</td>
<td>21% 20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1954</td>
<td>261</td>
<td>- - -</td>
<td>- - -</td>
<td>- - -</td>
<td></td>
</tr>
<tr>
<td>PERMANENT SECRETARY</td>
<td>40</td>
<td>1939</td>
<td>275</td>
<td>31% 17% 6%</td>
<td>37% 103%</td>
<td>103% 102%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1944</td>
<td>276</td>
<td>31% 17% 6%</td>
<td>37% 102%</td>
<td>102% 101%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1948</td>
<td>306</td>
<td>11% 18% 6%</td>
<td>17% 51%</td>
<td>51% 50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1951</td>
<td>327</td>
<td>2% 20% 6%</td>
<td>8% 26%</td>
<td>26% 25%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1954</td>
<td>383</td>
<td>- - -</td>
<td>- - -</td>
<td>- - -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>1939</td>
<td>550</td>
<td>53% 10% 8%</td>
<td>26% 141%</td>
<td>141% 140%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1944</td>
<td>552</td>
<td>10% 86% 16%</td>
<td>25% 159%</td>
<td>159% 158%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1948</td>
<td>645</td>
<td>- - 13% 83%</td>
<td>15% 86%</td>
<td>86% 85%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1951</td>
<td>695</td>
<td>- - 11% 72%</td>
<td>17% 72%</td>
<td>72% 71%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1954</td>
<td>767</td>
<td>- - -</td>
<td>- - -</td>
<td>- - -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>1939</td>
<td>750</td>
<td>10% 71% 9%</td>
<td>19% 146%</td>
<td>146% 145%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1944</td>
<td>750</td>
<td>10% 71% 9%</td>
<td>19% 146%</td>
<td>146% 145%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1948</td>
<td>875</td>
<td>- - 9% 76%</td>
<td>9% 76%</td>
<td>76% 75%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1951</td>
<td>1,063</td>
<td>- - 1% 6%</td>
<td>1% 6%</td>
<td>6% 5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1954</td>
<td>1,125</td>
<td>- - -</td>
<td>- - -</td>
<td>- - -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>1939</td>
<td>1,500</td>
<td>10% 126% 8%</td>
<td>10% 276%</td>
<td>276% 275%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1944</td>
<td>1,500</td>
<td>10% 126% 8%</td>
<td>10% 276%</td>
<td>276% 275%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1948</td>
<td>1,750</td>
<td>- - 5% 86%</td>
<td>5% 86%</td>
<td>86% 85%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1951</td>
<td>2,125</td>
<td>- - 6% 6%</td>
<td>- - 6%</td>
<td>6% 5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1954</td>
<td>2,250</td>
<td>- - -</td>
<td>- - -</td>
<td>- - -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>1939</td>
<td>1,500</td>
<td>10% 126% 8%</td>
<td>10% 276%</td>
<td>276% 275%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1944</td>
<td>1,500</td>
<td>10% 126% 8%</td>
<td>10% 276%</td>
<td>276% 275%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1948</td>
<td>1,750</td>
<td>- - 5% 86%</td>
<td>5% 86%</td>
<td>86% 85%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1951</td>
<td>2,125</td>
<td>- - 6% 6%</td>
<td>- - 6%</td>
<td>6% 5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1954</td>
<td>2,250</td>
<td>- - -</td>
<td>- - -</td>
<td>- - -</td>
<td></td>
</tr>
</tbody>
</table>

* Retirement at 31st December assumed throughout.

† Increase under paragraph 2 of 1944 Act as amended by 1954 Act.
<table>
<thead>
<tr>
<th>Rank and Circumstances</th>
<th>Basic Pension</th>
<th>Existing increase (if any)(1)</th>
<th>Further increase to 1949 rates(1)</th>
<th>Total increase finally increased</th>
<th>20% increase on 1949 rate claimed by O.P. Society(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officers retiring on the 1935 (stabilised) rates (1949 Code)</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Captain, not previously excluded by the means test</td>
<td>274</td>
<td>86</td>
<td>27</td>
<td>113</td>
<td>384</td>
</tr>
<tr>
<td>Captain, previously excluded by the means test(3)</td>
<td>274</td>
<td>27</td>
<td>86</td>
<td>113</td>
<td>384</td>
</tr>
<tr>
<td>Major, no other means</td>
<td>407</td>
<td>68</td>
<td>59</td>
<td>127</td>
<td>534</td>
</tr>
<tr>
<td>Colonel, irrespective of means</td>
<td>724</td>
<td>72</td>
<td>98</td>
<td>170</td>
<td>894</td>
</tr>
<tr>
<td>Lieut.-General, irrespective of means</td>
<td>1,086</td>
<td>109</td>
<td>126</td>
<td>235</td>
<td>1,321</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Officers retiring on the 1945 Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Captain, not previously excluded by the means test</td>
</tr>
<tr>
<td>Captain, previously excluded by means test</td>
</tr>
<tr>
<td>Major, no other means</td>
</tr>
<tr>
<td>Colonel, irrespective of means</td>
</tr>
<tr>
<td>Lieut.-General, irrespective of means</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Officers retiring on the 1950 Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Captain</td>
</tr>
<tr>
<td>Major</td>
</tr>
<tr>
<td>Colonel</td>
</tr>
<tr>
<td>Lieut.-General</td>
</tr>
</tbody>
</table>

(1) The table is based on married officers over 60. For a single man in certain cases the existing increase might be somewhat less than that shown and the further increase now to be given somewhat greater than that shown. In all cases the total resultant increase would, however, be the same, as a consequence of removing any distinction between those with and without dependants.

(2) This is inserted so that a comparison may be made between the effect of my proposals and the effect of giving the 20% increase on 1949 rates claimed by the Officers Pensions Society in their "breach of faith" argument. This point only relates to officers who retired before the 1939-45 war.

(3) The pre-war Captain, previously excluded by the means test, would still have received a 10% increase under the "automatic" scheme of 1944/47.

(4) These officers will all have received a lump sum of £1,000 (terminal grant), not a feature of earlier codes.
## ANNEX III

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Pensioners</th>
<th>Present Annual Cost £m.</th>
<th>Estimated cost additional to existing Pensions</th>
<th>Tentative Estimate of cost of present proposals £m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armed Forces</td>
<td>200,000</td>
<td>30</td>
<td>4(\frac{1}{2}) - 5(\frac{1}{2})</td>
<td>3</td>
</tr>
<tr>
<td>Civil Service, etc.</td>
<td>128,000</td>
<td>21</td>
<td>5 - 7</td>
<td>2</td>
</tr>
<tr>
<td>Teachers</td>
<td>86,000</td>
<td>20</td>
<td>3(\frac{1}{2}) - 5(\frac{1}{2})</td>
<td>1(\frac{3}{4}) - 2(\frac{1}{2})</td>
</tr>
<tr>
<td>Police</td>
<td>63,000</td>
<td>12</td>
<td>3 - 4</td>
<td>1(\frac{3}{4}) - 2</td>
</tr>
<tr>
<td>Fire Services</td>
<td>5,000</td>
<td>1</td>
<td>(say) (\frac{1}{2})</td>
<td>(£100,000)</td>
</tr>
<tr>
<td>National Health Service</td>
<td>15,000</td>
<td>2</td>
<td>(say) (\frac{1}{2})</td>
<td>(£100,000)</td>
</tr>
<tr>
<td>Local Authority</td>
<td>120,000</td>
<td>15</td>
<td>3 - 4</td>
<td>1(\frac{3}{4}) - 2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>617,000</strong></td>
<td><strong>102</strong></td>
<td><strong>19(\frac{1}{2}) - 26(\frac{1}{2})</strong></td>
<td>about 10/11</td>
</tr>
</tbody>
</table>

* Widows' and Dependents' pensions are included throughout.
(a) **Family Allowances**

These were referred to in the Queen's Speech and the proposal is that they should be extended to children up to the age of eighteen while at school or undergoing full-time training. The immediate cost would be £23½ millions a year, of which £2 millions would be borne by the Exchequer and £13½ million on National Insurance funds. There would be some increase in the National Insurance outgoings as time went on.

(b) **Workmen's Compensation**

There was pressure to increase the old workmen's compensation payments and the Minister had, with Cabinet authority, negotiated an arrangement with the Trades Union Congress which would cost about £650,000 provided the changes were embodied in legislation in the present session. If there were delay the Trades Union Congress' agreement would lapse.

(c) **Widows**

There was a complicated series of proposals arising from recommendations of the National Insurance Advisory Committee. These had not been considered by the Chancellor of the Exchequer but the net cost of the Minister's proposals would be £2½ millions immediately: the actual expenditure from the National Insurance funds would be £3½ millions but there would be a saving on assistance of £1 million. This did not take account of any repercussions on the "10/- widows".

(d) **The Earnings Rule**

This rule lays down that those in receipt of national insurance retirement pensions may not earn more than £2 without suffering a reduction of their pension. The rule is now being examined by the National Insurance Advisory Committee and their report is expected in the early summer. Any substantial change in the limit would be costly, e.g., if the limit were raised from £2 to £3 a week the cost might on present estimates approach £2 millions a year. This change would require legislation.
CABINET

CURRENT WAGES POSITION

Memorandum by the Minister of Labour and National Service

I am circulating for the information of the Cabinet a brief summary of the present wages position. The usual more detailed analysis of movements in wages and hours of work will be circulated to the Economic Policy Committee in a few days.

2. Current wage claims involve over 7,000,000 workers. The main industries concerned are:

(a) Engineering and Shipbuilding
(b) Building
(c) Retail Distribution
(d) Coal-mining
(e) Railways
(f) Cotton
(g) Gas and Electricity.

In agriculture, the union (though it has accepted the increase of 8s. recently awarded by the Agricultural Wages Board) has given notice of a further claim to be presented at the next meeting of the Board on 1st February.

3. The workers in all these industries, with the exception of cotton, received wage increases in the first few months of 1955 and it is by no means unusual for them to be claiming higher wages at this time of year. To put the current figures into proper perspective I summarise below the numbers affected by wage increases and the estimated net weekly addition to wage rates in each of the last five years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Approximate number of workpeople affected by reported wage changes</th>
<th>Estimated net weekly increase at the end of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>12,262,000</td>
<td>6,569,600</td>
</tr>
<tr>
<td>1952</td>
<td>11,404,000</td>
<td>4,455,700</td>
</tr>
<tr>
<td>1953</td>
<td>9,031,500</td>
<td>2,420,400</td>
</tr>
<tr>
<td>1954</td>
<td>10,147,000</td>
<td>3,500,600</td>
</tr>
<tr>
<td>1955</td>
<td>11,889,500</td>
<td>5,138,700</td>
</tr>
</tbody>
</table>

4. It is not possible to make any reliable estimate of the total addition to the national wages bill which settlement of the current claims will entail. This is partly because many of the claims have not yet been precisely formulated and also because, in the process of bargaining, the original...
demands will undoubtedly be reduced. It is unlikely, however, that the total addition to the wages bill this year, due to increased wage rates, will be smaller than it was last year. The recent railway settlement which has been reached without the difficulties and delays experienced in recent years is bound to influence negotiations on claims in other industries. In engineering, the recent falling off in output in the motor car industry may dispose employers towards somewhat harder bargaining.

5. My intervention has not yet been requested in the negotiations on any of these claims and, indeed, as my colleagues know, there is no part for me to play unless negotiations break down between the parties. Any of these claims, therefore, may be settled at any time without our intervention or without our prior knowledge of the terms of settlement. In the case of some claims, negotiations may drag on and perhaps end in disputes.

6. In the Appendix, I summarise the essential information about the major current claims and recent settlements.

I. M.

Ministry of Labour and National Service,
S. W. 1.

## APPENDIX

<table>
<thead>
<tr>
<th>Industry</th>
<th>Approximate numbers involved</th>
<th>Amount of claim</th>
<th>Present Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering and Shipbuilding</td>
<td>3,000,000</td>
<td>15 per cent</td>
<td>Employers' reply due by 2nd February.</td>
</tr>
<tr>
<td>Building</td>
<td>1,000,000</td>
<td>22s. per week</td>
<td>Referred to the industry's Conciliation Committee.</td>
</tr>
<tr>
<td>Retail Distribution</td>
<td>750,000 to 1,000,000</td>
<td>£1 per week</td>
<td>Settlements involving 6s. to 10s. increases have been reached for food distribution workers. Some Wages Councils have put forward proposals for increases of 6s. 6d. to 8s. 6d. in retail clothing and footwear trades; other proposals are expected.</td>
</tr>
<tr>
<td>Coal-mining</td>
<td>700,000</td>
<td>£1 per week</td>
<td>N.C.B. reply due on 8th February.</td>
</tr>
<tr>
<td>Railways</td>
<td>470,000</td>
<td>10 per cent</td>
<td>Settled on 20th January at 7 per cent</td>
</tr>
<tr>
<td>Cotton</td>
<td>290,000</td>
<td>No amount stated – thought to be 10 per cent</td>
<td>Employers' reply under consideration. No date fixed.</td>
</tr>
<tr>
<td>Gas and Electricity</td>
<td>200,000</td>
<td>No precise amounts stated</td>
<td>Further negotiations pending.</td>
</tr>
</tbody>
</table>
26th January, 1956

CABINET

FUEL AND POWER PROSPECTS

Memorandum by the Minister of Fuel and Power

I would like to inform the Cabinet of the provisional views I have formed, after reviewing short and long-term fuel and power prospects, about the lines of future action.

PROSPECTS

The rest of this winter

2. We started 1956 with coal stocks (20.6 million tons) which in total were rather better than those we have had in recent years (1955 - 16.8 millions; 1954 - 19.5 millions). There are several reasons for this. In 1955 we imported 11.3 million tons of coal, i.e. nearly four times as much as in 1954. The good weather helped to hold down consumption and enabled additional coal to be produced from the opencast sites. Production from the deep mines, on the other hand, was badly down, being 3.5 million tons less than in the previous year (1955 - 210 millions; 1954 - 213.5 millions). While this decline reflects the neglect of investment in past years, the situation was aggravated by falling manpower and, in particular, by the Yorkshire strike and a spate of smaller unofficial stoppages.

3. Although our total coal stocks are satisfactory, stocks of house coal are less good. They are about the same as a year ago, and somewhat less than in the preceding year. We need not expect real trouble, but the merchants are faced with a labour shortage and our main concern must be to see that the distributive machine functions smoothly, particularly during cold spells.

Rest of 1956

4. On the best estimates I can make, total coal production in 1956 should be much the same as in 1955, a small decrease in deep mined production due to declining manpower being offset by a small increase in opencast production. If, however, 1956 suffered from the same labour troubles as 1955 total coal production would inevitably be much lower. Allowing for a smaller stockbuild, demand may not be much more than in 1955 if the oil conversion programme continues to go according to plan. Accordingly, the cut of 5 million tons in exports already decided on means that there can be a corresponding reduction in imports to 6.5 million tons. The National Coal Board, who will be engaged during the year in delicate negotiations with the miners' union, attach importance - I think rightly - to safeguarding their bargaining position through an adequate "cushion" of coal stocks. I recognise, however, that the state of the gold and dollar reserves limits the extent to which such a "cushion" can be secured by means of imports.
The next five years

5. It is thought that the inland demand for coal in 1960 will be about 220 million tons a year. There are two assumptions underlying this estimate: (i) that industrial production generally will go on increasing at the rate required to achieve a doubling of the standard of living in a generation; (ii) that between 1954 and 1960 the increase in annual consumption of black oils will be the equivalent of 25 million tons of coal - the target announced by my predecessor. This target is formidable and involves trebling the total consumption of black oils in six years. In 1955 we kept up to schedule but there is still a long way to go.

6. In addition to the inland demand for coal there is the present export commitment of about 6 million tons a year, most of which I must assume to be inescapable in the future. Indeed, it is highly desirable, in order to ease our trade and balance of payments position, that not only should imports cease but our exports should, if possible, be increased to about 10 million tons a year. With this in mind I think we should assume a total coal requirement in 1960 of some 230 million tons.

7. The Board's provisional estimate is that by 1960 their deep-mined output might reach 220 million tons (compared with 210 in 1955). I think it prudent somewhat to discount this estimate, and there are many uncertainties which may seriously upset even the most cautious calculation. For example, about 11 million tons of coal a year might be lost if the miners gave up the voluntary working of a Saturday shift and reverted to the five-day week to which they are entitled. Further, there is the threat of the new miners' charter in which the miners are claiming, among other things, more holidays and shorter working hours. In so far as this is granted, it will be granted only in stages; but the concession ultimately of all the points might cost 40 million tons of coal a year. Finally, some loss of production, not easily assessable, must ensue from the application of the new Mines and Quarries Act.

8. In view of the uncertainties attending deep-mined output, it is important that we should maintain opencast production, now running at 11 million tons. It is, however, becoming increasingly difficult to find sites for opencast working, and opencast production between now and 1960 seems likely to fall below the present level if the existing bans on the working of first class agricultural land are maintained.

The long-term

9. Estimates of the likely level of demand for all fuel up to 1970 are necessarily speculative. On the assumptions that nuclear power makes the contribution envisaged in the White Paper, that the rate of expansion of oil consumption slackens off after 1960, and that an annual export commitment (with no imports) of something like 10 million tons should be aimed at, requirements between 1960 and 1970 might be as follows:-

<table>
<thead>
<tr>
<th></th>
<th>1960</th>
<th>1965</th>
<th>1970</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>230</td>
<td>235</td>
<td>240</td>
</tr>
<tr>
<td>Oil</td>
<td>67</td>
<td>67</td>
<td>106</td>
</tr>
<tr>
<td>Nuclear energy</td>
<td>1</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>Hydro-electricity and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>miscellaneous sources</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td>330</td>
<td>365</td>
</tr>
</tbody>
</table>
10. Our aim must of course be to meet these coal requirements in full from domestic production. For the reasons indicated above (in paragraphs 7 and 8) I am very doubtful whether this aim can be achieved in 1960 or even in 1965, but I think we can feel more confident about 1970.

ACTION

11. In the intermediate term the conversion to oil and in the longer term the introduction of nuclear energy promise some relief from the nation's present dependence on coal. While every effort must be made to expedite and expand this relief, it cannot do much more, as far as we can now foretell, than meet the greater part of the increase in the nation's fuel requirements. A rising output of coal will still therefore be required. Further, the threat of political disturbance to our oil supplies makes it all the more imperative to continue to exploit our coal resources to the full.

Nuclear power

12. Some acceleration of the White Paper programme is already planned. Provided the designs are good enough, the first batch of power stations (which should start to be built in 1957 and be working by 1960/61) is to consist not of two but of three stations, the third probably being sited in Scotland. I cannot dispute the view that there is no immediate scope for further expansion. But I think it of the highest importance to ensure, first that these early stations are as efficient as they can be made (even if this means finding some enriched material to supplement the natural uranium which they are present planned to use), and secondly that the White Paper programme for the early 1960's is expanded if technically possible, so that by 1965 the coal saving achieved is increased to at least 7½ million tons (compared with the 5 to 6 millions suggested in the White Paper) and a much bigger expansion thereafter is made possible.

Oil conversion and fuel efficiency

13. I am looking into the question whether the conversion to oil can be speeded up. My preliminary conclusion is that little acceleration is possible. Even if a further increase in the price of coal relative to that of oil were to increase the demand for oil, the difficulties on the supply side - e.g. in providing the necessary equipment, transport and storage facilities - would remain considerable. I am also considering what can be done to sustain and indeed intensify the drive for increased efficiency in the utilisation of fuel.

Mining Manpower

14. The most immediate problem before the coal industry is that of manpower. Even with some abatement of inflationary pressure, the competing pull of other industries (and, in particular, the metal-using industries) is likely to make this an enduring difficulty in such divisions, as the West Midlands. Any suggestion for dealing with the problem by varying wages according to district would encounter strong hostility from the miners' union, though I propose to examine with the Board the possibility of achieving some improvement by way of a new system of allowances. For the present the best hope of overcoming the shortage of manpower would seem to lie in the recruitment of men in areas where men are still easily come by, e.g. Scotland, Northumberland and Durham, and in their movement to areas of shortage, e.g. West Midlands and South Yorkshire, through such inducements as housing and transfer allowances. If the miners could be induced to change their minds about
the importation of foreign labour the problem would of course be eased.

Wages and incentives

15. The miners have put forward a new wages claim as well as a miners' charter containing drastic proposals for shorter working hours and more holidays. In view of the very strong bargaining position held by the miners some concession is inevitable. I am discussing with the Board the possibility of some kind of "treaty" with the union under which concessions on the miners' charter would be made only in return for advances in production. Such an arrangement will, however, need much preparation and will take time to work out.

Investment

16. Over and above the attempt to secure more men and improve their effort, the main hope for increased coal production must lie in investment. There are three reasons why investment is necessary. First, digging has to be extended to new seams to replace those being exhausted, the new seams being less accessible than the old, so that capital expenditure on replacement account alone must of necessity be on a rising scale. Secondly, there must be some expansion in productive capacity beyond that required for replacement if a rising output is to be achieved. Thirdly, there must be increased mechanisation, particularly in loading, this being the only effective answer to the problem of declining manpower.

17. Although the Board have recently managed to go ahead faster with their reconstruction schemes, their investment programme has fallen far behind that of other industries. Investment in collieries since the war amounts to under £400 millions. This compares with some £600 millions invested in the same period in the steel industry and with over £1,000 millions in the electricity supply industry, while even the current rate of investment per ton of output in the British coal industry is half that in the French coal industry. There is much leeway therefore to be made up. The Government will have to provide the loan finance and it will be necessary to introduce a new Borrowing Powers Bill in the spring. I recognise, of course, the desirability in present circumstances of curtailing investment by the public authorities in general. I would plead strongly, however, for the exemption from this curtailment of investment in the production of coal. A curtailment in the case of coal would have the effect only of aggravating the existing lack of balance between investment in coal and investment in other industries. And such a lack of balance, while subordinate to the general problem of inflation, is nevertheless in itself an important source of our economic difficulties.

The National Coal Board

10. The success of measures to increase output and productivity depends on an alert and strong management at the top. From what I have hitherto seen I am satisfied that this has not been forthcoming. At the same time to effect any change in top management is a matter of considerable delicacy. The announcement now that Mr. James Bowman will become Chairman of the Board in succession to Sir Hubert Houldsworth next July, and that Mr. J. Latham will become Deputy Chairman in succession to Mr. Bowman has been designed to stiffen the top management without provoking an unhappy reaction. The appointment at the beginning of the year of four good part-time members should also help.
The de-control of house coal

19. House coal is the only commodity still subject to some form of rationing and I appreciate that it will be an object of Government policy to get rid of this control as soon as possible. The present supply and demand position, however, is hardly propitious and I am afraid we shall have to move cautiously and by gradual stages.

Opencast

20. I am loath to bring before my colleagues the vexed question of opencast. But it is clear that for some years to come the coal problem will remain serious and I would like my colleagues' support for the continuation of opencast mining at the present level at least.

A. J.

Ministry of Fuel and Power, S. W. 1.

Secret
C.P.(56) 22
COPY NO. 
24th January, 1956

CABINET
COTTON

Memorandum by the President of the Board of Trade

My colleagues will recall that in the early part of last year strong representations were made by the cotton industry to Her Majesty's Government for some protection against the duty-free entry of cheap cotton cloth from India and Hong Kong. These representations culminated in a meeting with the former Prime Minister on 24th March. The fullest consideration was given to the case presented by the Cotton Board delegation at that meeting but it was decided (C.M. (55) 9th Conclusions, Minute 3) that the industry's case must at that time be rejected on grounds of broad commercial policy. The Prime Minister conveyed this decision in a statement in the House of Commons on 3rd May when he said:

"At the same time we have had under consideration the separate question of the level of imports of duty-free cloth from the Commonwealth. We would be reluctant to take action against imports from India, particularly action which would discriminate against India compared with other parts of the Commonwealth. Special considerations of Colonial policy arise in the case of Hong Kong. We are not prepared, at this time and in existing circumstances, to depart from our long established arrangements for duty-free entry from the Commonwealth."

2. The Cotton Board have now submitted to me another memorandum in which they again seek protection against imports of cotton cloth from the Commonwealth. Their case, which is argued at great length, is substantially the same as before and may be summarised as follows:

(i) It is an accident of history that the United Kingdom cotton industry is without any protection at all against the entry of cotton piece goods from the Commonwealth. No other textile industry anywhere suffers from a comparable disadvantage.

(ii) The inequity of this position is such that the industry does not believe that it would be as difficult for the Government to set it right as is maintained.

(iii) It is the incursions into the industry's home market which are resented and feared. Confidence has been undermined by the possibility that the high rate of imports may go on increasing indefinitely.
The undermining of confidence has led to the closure of mills and will work against investment in modernised plant and machinery.

In any case, however efficient the United Kingdom industry might make itself, it could never compete with the prices at which cotton piece goods are sold from India and Hong Kong.

The industry therefore seeks protection, in the first place by means of a quota. Subsequently the Government should introduce whatever form of long-term protection it considered the most practicable.

These are essentially the considerations which were before us in the spring. Meanwhile, the difficulties of restricting duty-free imports from Commonwealth sources have in no way diminished. The imposition of a quota on Indian and Hong Kong cloth could jeopardise our policy of Imperial Preference and of trade liberalisation.

Since the Prime Minister's statement in May, 1955, there has in fact been a slight improvement in the situation in the industry. Towards the end of 1955 production began to increase again, short-time working (in any case only in part attributable to imports) grew less, and order books began to lengthen. Above all, the level of imports has not shown the alarming rise during the last three quarters of 1955 which was prophesied by the industry when it saw the former Prime Minister in March, 1955. Although total imports in 1955 were higher than in 1954, their rate was considerably less in the last three quarters of 1955 than in the last quarter of 1954 and the first quarter of 1955. Moreover, the rate of forward ordering does not presage any sharp increase in the immediate future. Finally, although United Kingdom exports of cotton textiles have in total continued to decline, those to India have considerably increased since the Indian Government reduced its tariff last May following our representations.

In these circumstances I propose to inform the Cotton Board in as sympathetic terms as possible, that there are at present no grounds for any change in the existing policy as enunciated by the Prime Minister last May.

I have good reason to believe that this decision will come as no surprise to the Cotton Board who are, after all, campaigning - and on rather less favourable ground - for something which, with all its political implications, was examined and rejected just before the General Election. I am most anxious that in announcing my decision I shall not cause the Cotton Board to lose the confidence of the industry and I therefore propose to invite them to bring a deputation from the industry to see me, thank them for the thorough study they have made in support of their case, explain why the Government must in the present circumstances reject it and undertake that I shall continue to keep the situation under close review.

I trust my colleagues will agree.

P.T.

Board of Trade, S.W.1.
CABINET

ARMS FOR INDIA AND PAKISTAN

Note by the Chancellor of the Exchequer

The attached memorandum, which has been prepared by officials of the Departments immediately concerned, sets out the detail, and discusses the merits, of two proposals for assisting India and Pakistan to acquire British arms.

2. The proposals in each case are strongly supported by the Commonwealth Secretary and in the Indian case by the Minister of Supply.

3. As the proposals, while important in themselves, raise considerations of general policy, I have thought it right to bring them to the attention of my colleagues for discussion in the Cabinet.

H.M.

Treasury Chambers, S.W.1.

27th January, 1956.

ARMS FOR INDIA AND PAKISTAN

Introduction

1. In recent months a considerable number of proposals for aid of one kind or another to foreign countries have been put forward. For the most part these arise directly or indirectly from the more overtly active policy adopted by the Soviet bloc towards the Near and Middle East. Two such proposals are currently the subject of Ministerial correspondence:

(i) The waiver by Her Majesty's Government of all or part of the research and development levy on 60 Canberra aircraft which the English Electric Company are negotiating to sell to India. The total amount of the levy involved is some £600,000.
2. Details of the Proposals

(i) Canberras for India. The negotiations - in which a Ministry of Supply representative went out to India to participate - have been going on for some time. Price is not the only outstanding point but it is said to be a significant one. Originally the English Electric Company quoted a price of £209,000 per aircraft. This was unattractive to the Indians in comparison with the price quoted by the Russians for the rival Russian aircraft. The Company was therefore persuaded by Her Majesty's Government to improve its offer, not by reducing the price, but by agreeing to instal some technical devices, which the Indians wanted and which cost about £10,000 per aircraft, without increasing the price. These devices did not, however, include ASV. 21 Radar (which might well cost about £20,000 per aircraft). The Acting High Commissioner in New Delhi thinks it is important to include this equipment without an increase of price if India is to be persuaded to buy the Canberras. The Company were reluctant to make further concessions, both because they considered their price a fair one and because, having regard to their other business in India, they were fearful of giving an impression that their initial quotations were apt to be inflated. They have however now said they would go half-way towards meeting the cost of the ASV. 21 provided the Ministry of Supply would help by reducing its research and development charge to cover the other half of the cost. If the ASV. 21 Radar is to be included and the quoted price is not to be increased, it is estimated that a total waiver of the research and development levy would be involved in this suggestion. Because of the political importance attached to the project the Commonwealth Secretary and the Minister of Supply propose that the research and development levy be waived but are opposed to the waiver being specially shown in Votes.

(ii) Dofors for Pakistan. The guns, which are known to be wanted by Pakistan, are part of the surplus which has arisen as a result of the recent decision to disband Anti-Aircraft Command. They are thought to be saleable at 10 per cent of vocabulary price; on this basis 100 guns would fetch about £50,000. The Pakistanis have made, through the usual procurement channels, an enquiry for 27 of these guns, with the possibility of an order for a further 69 later and have been told that the price would be about £500 (or about £600 with ancillaries).

3. Arguments in favour of these proposals

(a) Canberras for India

(i) For political and strategic reasons it is considered important, if possible, to stop the Russians from penetrating into India's Air Force. Further, Her Majesty's Government have shown themselves interested in the negotiations and would suffer a distinct reverse were they unsuccessful.

(ii) From the economic point of view the sale of the Canberras represents an important 'deal' in an important market and it is better to forgo the development levy if by so doing we can secure an export worth upwards of £12 millions than to lose the business altogether - in which case we should not get any levy either.
(b) **Bofors for Pakistan**

(i) It is important to retain Pakistan's goodwill and to avoid giving any grounds for the criticism that, while neutralist countries such as Egypt and India get the best of both worlds, Pakistan's membership of the Commonwealth as well as of the South East Asia Treaty Organisation and the Baghdad Pact counts for nothing. The fact that we are unable to help Pakistan by any impressive show of public support for her against India means that we should regard it as all the more important to help her in any way we can.

(ii) The value of the guns in question is not large and the guns are no longer required by the United Kingdom.

4. **Arguments against these proposals**

(a) **General.** The United Kingdom, in its present period of economic and balance of payments strain, cannot afford to subsidise overseas Governments. (The Defence Committee recently agreed that every effort should be made to secure economies in defence expenditure overseas (D.,C., (55) 16th Meeting, Item 3)).

(b) **Canberras for India**

(i) A considerable amount of money is involved.

(ii) Either the waiver is made public by being shown in Votes or it is not. If it is, there will almost inevitably be pressure for similar concessions on other occasions (the Americans have always been unhappy about research and development charges in their offshore contracts, for instance). If it is not it is very doubtful whether our obligations to Parliament will have been discharged.

(iii) We do not know whether the English Electric Company has made every concession that could reasonably be expected or whether it is taking advantage of Her Majesty's Government's interest in the case. The Company have refused to reveal their expected profit margins in the transaction.

(iv) Price is not the only outstanding point; and it is not known whether the amount of the price concession will suffice.

(c) **Bofors for Pakistan**

(i) The money directly involved is less, but the principle is the same. News of the gift would probably lead to pressure for other assistance (Pakistan herself is already hoping for price reductions on the warships). Further if the Pakistanis heard of the concession to India on Canberras they would increase their pressure for other assistance. A system of auctioning, under which we tried to keep a balance
between amounts of aid to these two - or indeed other - countries would be self-perpetuating and would soon become intolerable.

(ii) If we give surplus anti-aircraft equipment to Pakistan we shall establish a very embarrassing precedent vis-à-vis other countries, including countries in the North Atlantic Treaty Organisation and the Commonwealth. In this connection it has already been agreed for political reasons to sell guns to the Lebanese at a special reduced price of £400 (including ancillaries).

27th January, 1956.
20th January, 1956

CABINET

PROVISION OF EQUIPMENT AT CONCESSION PRICES TO CERTAIN COMMONWEALTH COUNTRIES

Memorandum by the Secretary of State for Commonwealth Relations

I have read the memorandum by the Chancellor of the Exchequer (C.P.(56) 23) about arms for India and Pakistan.

2. The following items are involved:
   (i) the provision of Canberras for India;
   (ii) the provision of certain ships and Bofors guns for Pakistan.

3. I do not for a moment contest the general case which the Chancellor makes on financial grounds in our present economic difficulties against the proposals which it discusses though my colleagues will see that none of them involves the expenditure of new money but merely the foregoing of hypothetical receipts. However the Indian deal if we bring it off, involves a substantial and valuable export and the ships for Pakistan would be refitted through American aid and we should gain by considerable expenditure in the United Kingdom.

4. As regards (i) above - Canberras - the Prime Minister has taken the closest personal interest in meeting India over the Canberras, and I agree with him that the political considerations involved are of outstanding importance.

5. As regards (ii) - ships and guns for Pakistan, both the Prime Minister and I have had the strongest representations during the last few days from the High Commissioner for Pakistan. Pakistan regards herself as being now a special target for Russian opposition because she has signed the Baghdad pact and the South East Asia Treaty Organisation. I consider it as of the highest political importance to meet Pakistan both over these ships and over the Bofors guns.

6. I am ready to discuss more fully in Cabinet. In the meantime I append a more detailed statement. I would only say at this stage that, accepting as I do, the immense importance of economy, I regard as of paramount importance the political considerations involved in these cases, which as Commonwealth Secretary it is my duty to urge, and with every sympathy for the Chancellor's view, I would press my colleagues to meet me.
7. I should like to stress that no question of an arms race arises in any of these transactions. It is clear that all the arms required are in themselves not unreasonable, having regard to the defence requirements of the two countries. Both India and Pakistan need these arms and intend to get them. If they do not get them from us, they will do so from other less desirable sources. However, I am myself concerned about the probability in the future of alternating demands from India and Pakistan for arms and, if these items could be disposed of, I would gladly consult with the Chancellor of the Exchequer on the principles that should guide our future policy.

H.

Commonwealth Relations Office, S.W.1.  
28th January, 1956.

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ANNEX

General

Relations with India and Pakistan are passing through a most difficult, and indeed critical, phase. There is little doubt that in general the effect of the Soviet visit to India has been considerable. We have, moreover, recently had reports that the old ties between Services in this country and in India are much less strong in the Indian Air Force than in the Army or Navy; that the Russians have been making a big and unscrupulous effort to influence the younger Indian Air Force officers, and that their efforts have not been without some success. Should India buy a large number of Russian bombers the opportunities for further Russian contact and infiltration into the Indian Air Force will be greatly increased, the risks of further sales will become proportionately greater, and in the long run our strategic position will be greatly weakened. The Chiefs of Staff are of opinion that we should do everything in our power to prevent the Russians from penetrating the Indian Air Force by the sale of their aircraft, and that neither financial considerations nor Service priorities should be allowed to stand in the way if we could prevent this disaster by the supply of British aircraft. They realise that the closer contact which is developing between India and Russia would increase the security risks involved in the supply of British military aircraft to India, but consider that some degree of risk may have to be accepted. The Prime Minister moreover is most anxious that the deal should go through.

India

Canberras

1. Price is not the only, nor indeed even the major, consideration in order to achieve success. We must also be able to provide the right navigational and bombing instruments and deliver them at the right time, but the price difference at the moment between the Russian and British aircraft is very great and we should do all we can to narrow the gap.
2. Our High Commissioner has been warned by those elements in the Indian Government friendly to us of the great importance of meeting the Indian requirements on Canberras so far as possible; he has repeatedly stressed these arguments and has pointed out that if we can prevent the Indians from accepting the Russian offer now we shall be over an important hurdle and our success may make it easier to combat Russian efforts in other fields later.

3. Whilst we are at the moment considering Russian competition over the supply of bombers, we are also trying to sell Hunter fighters in competition with the French Mystere. Hunters and Canberras both have Rolls Royce engines, and the sale of one aircraft will encourage the sale of the other as it will simplify engine maintenance. This is a further reason for trying to effect the sale of Canberras.

Pakistan

(a) Ships

4. I understand that the First Lord of the Admiralty will shortly be circulating a memorandum to the Defence Committee regarding the possible sale of four destroyers and a cruiser to Pakistan. This paper has to be taken by the Defence Committee since it involves the re-allocation of our Naval resources. I will therefore not go into the matter in detail here. Briefly my proposal would be that we should sell the five ships for £1½ millions. They will qualify to be reconditioned in this country through American off-shore funds and the dollar expenditure here will be substantial - equivalent to some £3 millions.

(b) Bofors Guns

5. There is no doubt that Pakistan feels that by her alliance to the West she has placed herself in an exposed position. She has clearly earned the hostility of Russia, as was evident at the time of the Bulganin-Khruschev visit to Asia, and she fears, with some cause, that the Communists will seek every means to weaken her, particularly by bolstering up Afghanistan and encouraging a threat to Pakistan from that quarter. In these circumstances, the Pakistanis feel that they are entitled to look to their friends for support. They made this abundantly clear to me on my own visit to Pakistan and they have recently reinforced this view in a memorandum which the High Commissioner in London was instructed to present to the Prime Minister. Some of the Pakistani fears may be exaggerated. But there is no doubt that the Pakistan Government and Pakistani public opinion as a whole feel that they have not received the support from the West to which they are entitled and, unless we stretch out the hand of friendship to them, there is a very real risk that the elements who are working for effective collaboration with us will be replaced by supporters of neutralism.

6. We know, both from what has been said by the Pakistan High Commissioner here and to my Principal Staff Officer during a recent visit to Pakistan, that the Pakistanis attach great importance to the possibility of receiving the Bofors guns as a gift. I realise that if we do give them, we must take a calculated risk as regards India. But I am prepared to deal with any criticism which may arise from that quarter on the score that the guns are purely defensive equipment. I realise, moreover, that a gift of this kind to Pakistan is likely to encourage similar hopes from other countries, notably those in the Middle East, if, indeed, they hear of it. It is not for me to comment upon their
claims for similar treatment. But if we are to turn them down we could point to Pakistan's position within the Commonwealth as a reason for her especially favourable treatment. Whilst we may be considering these two cases together, and whilst we cannot overlook the unfortunate rivalry between India and Pakistan, I regard each of these cases as very strong on its own merits and as not bearing some kind of mathematical relationship to the other.
CABINET

DANISH BACON

Memorandum by the Chancellor of the Exchequer

My colleagues will recall that on 11th January the Cabinet discussed the negotiations with the Danes on the proposal that the bulk purchase contract for Danish bacon, which will come to an end in September, should be replaced by a 10 per cent tariff on foreign supplies of bacon with duty-free entry for supplies from the Commonwealth and the Irish Republic (C.M. (56) 3rd Conclusions, Minute 2). The purpose of such a tariff would be to enable us to cease State trading, while safeguarding the Exchequer in whole or in part against the increased deficiency payments to British farmers which would result from any fall in the price of foreign bacon.

2. The Danes have so far refused to accept the tariff proposals and, when the Economic Policy Committee at their meeting on 25th January considered the progress of the tariff negotiations, they took the opportunity to consider again the respective merits of the tariff approach and of a continuance of the present system of bulk purchase contracts. (The remaining alternatives, of a quota or of unrestricted trading, are not real ones; the former would raise prices to the consumer and be contrary to our declared policy of freer trade and payments; the latter would involve a heavy risk to the Exchequer.) The Committee did not come to a final conclusion and my colleagues may now wish to give some further thought to the financial and political considerations involved.

3. In favour of a tariff it can be urged that it enables us to stop State trading, it provides some offset for the Exchequer commitment for pig subsidies, and it would give encouragement to our own producers. Moreover, we are not likely to find it easier to obtain Danish agreement to a tariff at a later date if we draw back from our previous view. It has, however, the great political disadvantage that it would be represented as a tax on a major item of the people's food at a time when the cost of living is much in our thoughts. I do not think that in this context the argument that the tariff would merely take the place of the profit on foreign bacon obtained in recent years under State trading would carry much weight.

4. It is moreover open to question whether a tariff of only 10 per cent would serve to prevent flooding of the market by the Danes if they should attempt to maximise their profits by cutting prices and increasing the volume of their sales. In such an event the tariff might provide little protection against an increased Exchequer commitment in respect of deficiency payments to home producers. And we might then have incurred all the political odium of a tariff on food without reaping any substantial financial benefit.
5. This may make it worth considering whether we might not be better advised to make a new bulk purchase contract with the Danes for, say, another three years, at the end of which the domestic conditions might be more favourable to the imposition of a tariff. The main difficulty in maintaining State trading is that of managing the sales of imported bacon. The Minister of Agriculture has strongly emphasised the unsatisfactory nature of the present position, in which Her Majesty's Government are trading only in imported supplies but are saddled with responsibility for the bacon market without effective control; there are rapid fluctuations in the market and seasonal variations of home-produced supplies. There is, therefore, much to be said for relinquishing a system of State trading in a market not fully under Government control and under which trading losses might well be incurred.

6. I invite my colleagues' views on these issues.

H. M.

Treasury Chambers, S. W. 1.

27th January, 1956.
28th January, 1956

CABINET

DANISH BACON

Memorandum by the Minister of Agriculture, Fisheries
and Food

I am anxious that my colleagues should appreciate fully the
reasons why I seek to end state trading in imported bacon. This is not
a matter of dogma. True, I should find it difficult to explain why I
keep on doing for bacon what I have ceased doing for everything else.
I could hardly say that it was in order to restrict imports since we have
always assured the Danes, our own public and the O.E.E.C. that our
State trading is not restrictive. Nor has it been to date. Imports from
Poland are, of course, under a bilateral trade agreement.

2. I should also be in some embarrassment in explaining how
long we intend to go on. State trading in bacon causes uncertainty to
the trade. They know that this is contrary to our declared policy and
will continually expect us to bring the arrangement to an end. If, as
has been suggested, we were to contemplate a further lengthy period of
State trading I should have thought that our chances of getting a tariff
eventually, after withdrawing the proposal we have already pressed
upon the Danes, would be considerably reduced, if not sacrificed
altogether.

3. But, above all, we must be under no illusion about the effect
of State trading on the liability of the Exchequer under the guarantee
arrangements for home production. I would certainly not claim that a
10 per cent tariff provides absolute protection to the Exchequer. But
State trading, so far from providing a better safeguard for the Exchequer
is much less effective in sustaining the market and thereby affording
some relief than a free flow of trade would be.

4. In paragraph 4 of C.P. (56) 25 it is argued that the tariff would
not prevent the Danes from flooding the market "if they should attempt
to maximise their profits by cutting prices and increasing the volume
of their sales". But we know from experience that a very small
additional supply of bacon can have a disproportionate effect on price;
and so far from maximising their profits the Danes would suffer heavy
losses if they started to "flood" the market, (Eggs are rather similar,
and the Danes have been most careful since State-trading ended, not
to bring down the market here).

5. At the moment, we guarantee them a fixed quantity for the
year at a price which does not involve them in a loss. We then have
to make sure that in selling bacon we do not bring down the market,
thus making a trading loss and, incidentally, increasing the Exchequer
liability. But we cannot be sure of succeeding. There have been long periods during which we have been making a loss. We have been lucky so far during the current contract year but, even so, the maximum profit we can make under this contract is 10/- or 19/-; the rest of the 30/- difference between 270/-, when the Danes start taking an extra profit, and 240/-, the minimum guaranteed to them, represents freight and handling costs. With a tariff we should at least be certain of a 10 per cent revenue to offset against the subsidy.

6. We have, of course, no direct control over home production of bacon, though we can influence the long-term trend of pig production generally. We can do nothing about its flow over so short a period as a year; we cannot control demand; and even when we fix the quantity to be imported over the year we have in practice limited control over the weekly arrivals. Thus, the market can get seriously glutted at times, bringing down the price and pushing up the subsidy whatever we do about the imports.

7. Of course, we try to influence the situation as best we can by influencing imports. We have resorted in the past to the most fanciful expedients: paying the Danes and the Dutch not to ship us bacon but to turn it into pork for their own market or for export elsewhere; holding bacon in stock and risking the odium of having to release what is then described as "stale" bacon; importing the contract quantities in the form of pork and risking the loss of money on the pork market, as well as, by pushing that market down, raising the subsidy.

8. My experience convinces me that when we are in the trade the risks to the market, and, therefore, to the Exchequer, are much greater than they would be if the producers in Denmark, the exporters, the importers, the wholesalers, and the retailers had to carry that risk themselves. Indeed, it is precisely because they do not want to have the risk that the Danish producers would very much like us to continue to be the sole importers. When the trade is free, it is in everybody's interest to avoid the market staying glutted for long because they lose money. When we are the sole importers, they are perfectly content to leave us to hold the baby.

9. Apart from these economic considerations, I find the political disadvantages of being "half in, half out" intolerable. We are constantly exposed to attacks from our own farmers who, every time they find the market weak, blame "the flood of imports"; from the Fatstock Marketing Corporation, whose Chairman says "the Government can lay us flat on our backs any moment they choose"; from the trade which is never content with what we do, saying that we sometimes import too much, sometimes too little, that we hold the market up too long or push it down too far. There has also been quite a flood of questions in the House of Commons on bacon imports, in striking contrast to meat generally where people now accept the position that we are out of the trade and, therefore, less easy to blame for what happens.

10. In short, I am quite clear in my own mind that this position of responsibility without adequate power (which we could only have if we re-introduced the whole apparatus of control) ought not to go on a minute longer than we can help. State trading involves us in heavy risks and provides no more than limited protection for the Exchequer. But limited protection can be secured through a tariff and in practice any "flood" of pigs is likely to be short-lived. If the case for a tariff which has been
put to the Danes is now withdrawn, it can never be made effectively again.

D.H.A.,

Ministry of Agriculture, Fisheries & Food,
S.W.1.

28th January, 1956.
20th January, 1956

CABINET

AMENDMENT OF THE LAW RELATING TO MURDER

Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs

My colleagues will recall that there are certain secondary recommendations of the Royal Commission on Capital Punishment which would require legislation and on which, since we were not disposed to legislate to give effect to the main recommendations, we have not hitherto thought it necessary to take a decision. The principal recommendations in this category are that:

(a) the doctrine of constructive malice should be abolished subject to a proviso relating to accomplices;

(b) the law relating to provocation should be amended so that provocation by words alone may reduce murder to manslaughter;

(c) a person who aids, abets or instigates suicide should be guilty of that offence and not of murder.

2. There is in my view no objection in principle to these recommendations, but as I said in paragraph 20 of my memorandum of 16th December, 1955 (C.P. (55) 202), I then saw no point and some embarrassment in introducing legislation on these points alone, since we should be pressed to take the opportunity of giving effect to other and more controversial recommendations. Since that paper was circulated, however, the situation has been changed by the publication of a report by a Committee of the Inns of Court Conservative and Unionist Society under the Chairmanship of Sir Lionel Heald. This Committee has recommended the amendment of the law to give effect to recommendations (a) and (b) above and also the introduction in England and Wales of the Scottish doctrine of diminished responsibility.

3. The Committee suggest that if these recommendations were adopted the effect would be that the death sentence would be passed only on those who have committed a heinous crime and the discussion on the desirability of retaining the death penalty would not be confused with extraneous disputes. I do not myself think it is wholly true to say that if the recommendations of the Committee were adopted the sentence of death could be passed only in really heinous cases, but I have little doubt that the Committee's report and the suggestion that the area of disagreement can be narrowed will impress our supporters and particularly those who are with us on the main issue of retention of the death sentence, but are disturbed about its present scope. It seems to me, therefore, that while legislation on this subject may expose us to...
some embarrassment the balance of advantage lies in accepting the recommendations on constructive malice and provocation by words alone and giving as clear an indication in the debate as is possible without anticipating The Queen’s Speech that we will introduce legislation in the next Session. I do not think that in doing this we should make it more difficult to adhere to our refusal to implement the recommendations of the Royal Commission which we have rejected. There is wide disagreement on what should be done about the M’Naghten Rules; and on the question of raising to 21 the age of liability to capital punishment, we can point out not only that the Royal Commission itself was divided but that the amount of weight which should be given to youth in assessing a young murderer's responsibility is eminently a matter for the Prerogative rather than for legislation, while the doctrines on which I now propose that we should legislate are primarily a concept of judge-made law and, therefore, can more appropriately be dealt with by amendment of the law than by the exercise of the Prerogative. The Committee’s recommendation on diminished responsibility raises greater difficulties to which I refer later. The merits of the proposals are discussed in the following paragraphs.

Constructive Malice

4. The present scope of the doctrine of constructive malice is by no means clear. At its widest the doctrine means that a man is guilty of murder if he kills while committing a felony or resisting an officer of justice, even though he had no intention of killing and no reason to think that his action was likely to cause death or serious injury. The practice of the courts has whittled the doctrine down a good deal, but it can still produce the result that an act done while committing a felony or resisting an officer of justice may be murder although if done in other circumstances it would be only manslaughter. (If the act is done with intention to kill or is such that it would be likely to cause death or serious injury it would be murder whatever the circumstances). The witnesses before the Royal Commission were unanimous in thinking that the ancient rule of constructive malice was objectionable. There was some difference of opinion among them on the question whether the doctrine of constructive malice should be retained to a limited extent in order to ensure a conviction of murder where a criminal using a firearm killed accidentally. The Heald Committee would retain the doctrine where death results, albeit accidentally, from the use or threatened use of firearms, explosives or other dangerous weapons. The Royal Commission thought that the doctrine should be abolished altogether and that its abolition would produce no striking change in the practice of the courts.

5. In my view the doctrine needs redefining so as to state clearly the classes of case where the death penalty is appropriate and the classes where most people would agree that the sentence of death should not be passed. For example, there are many who hold that the killing, even accidentally, of a policeman or a citizen who comes to his aid by an armed criminal should be treated as murder and attract the death penalty. On the other hand accidental killing, e.g. of a woman in the course of rape, it is thought should be manslaughter and not murder.

6. The Royal Commission recommended that the abolition of the doctrine of constructive malice should be subject to the proviso that accomplices should remain liable to be convicted of murder if the principal is so liable. The Heald Committee think that accomplices should continue to be liable only if they knew that the principal was armed. This again introduces a difficulty of definition: armed with what? The Royal Commission thought that considerations, both of equity and public
protection, demanded the maintenance of the principle that when two or
more persons are parties to a common design for the use of unlawful
violence and the victim is killed all parties to the design should be liable
to the same punishment. This view seems to me to be preferred to that
of the Heald Committee.

7. There is no doctrine of constructive malice in Scottish law
and no question of amending the law in Scotland on this point, therefore,
arises.

Provocation

8. As the law now stands murder may be reduced to manslaughter
if the accused can show -

(a) that he suffered such provocation as might cause
a reasonable man to lose his self-control and
use violence with fatal results, and

(b) that he was in fact deprived of his self-control
and committed the offence while so deprived.

It has long been held that insulting or abusive language cannot by itself
be sufficient to reduce murder to manslaughter, but it was also held
for a considerable period that words conveying information, e.g. a
sudden confession of adultery, could be sufficient. Decisions on this
latter point were overruled by the House of Lords in the case of Holme
in 1946 when Lord Simon laid down that "in no case could words alone,
save in circumstances of a most extreme and exceptional character"
reduce murder to manslaughter.

9. The Royal Commission recommended and the Heald Committee
support the recommendation that "where the jury are satisfied that the
accused killed the deceased upon provocation, that he was deprived of
his self-control as a result of that provocation and that a reasonable man
might have been so deprived the nature (as distinct from the degree) of the
provocation should be immaterial" (paragraph 151). There is some doubt
whether the Holmes judgment would be followed in the Scottish courts and
the Royal Commission recommended that since it is desirable that the law
on this point should be the same on both sides of the border it should be
made clear that any amendment made in England applied also to Scotland.

Diminished responsibility

10. The Heald Committee recommend with one dissentient that on
the analogy of Scottish law the jury should be empowered to bring in a
verdict of manslaughter if they are satisfied that at the time of the
offence the person charged, though not insane, was suffering from mental
weakness or abnormality bordering on insanity to such an extent that his
responsibility was substantially diminished, and that in such a case the
prisoner should be ordered to be detained during Her Majesty's Pleasure.
The Royal Commission rejected the proposal that the Scottish doctrine
should be adopted in England, not because they thought that juries would
be too lenient (although they did so think) but because they thought that if
the doctrine of diminished responsibility was to be adopted at all it
ought to be adopted for all offences and that so radical a change ought
not to be made merely for the purpose of enabling the court to take
account of a special category of mitigating circumstances. If the
question was to be considered at all they thought it should be after
consideration of the question by a body appointed for that purpose,
(Paragraph 413).
11. In view of the attitude of the Royal Commission the Heald Committee's recommendation on this point raises difficulties which its other recommendations do not, and much fuller consideration would be required before it could be adopted. I suggest that we should point out that the Royal Commission rejected this proposal and should do no more than undertake to consider it.

Suicide pacts

12. At present if two people agree to commit suicide and only one dies the survivor is guilty of murder. If the survivor has made a genuine attempt to kill himself it is the practice to recommend a reprieve. The Royal Commission considered that if the survivor had himself killed the other party he should be guilty of murder as at present, but recommended that one who only aids, abets or instigates the suicide of another person without killing him should, in future, be guilty of that offence and not of murder and should be liable to life imprisonment.

13. The Heald Committee's report does not discuss suicide pacts but if the law is being amended the opportunity might be taken to implement this recommendation of the Royal Commission which will substantially have the effect of securing by process of the law what is now secured by the exercise of the Prerogative.

14. As suicide is not a crime in Scotland aiding and abetting suicide is not murder and no corresponding amendment of Scottish law is required.

Conclusions

15. I recommend:

(1) that the law should be amended in the following respects:

(a) the doctrine of constructive malice should be abolished with the proviso that accomplices should continue to be liable to be convicted of murder if the principal is so liable;

(b) the doctrine that provocation by words alone cannot, save in the most exceptional circumstances, reduce murder to manslaughter should be abolished; and

(c) aiding and abetting or instigating suicide should cease to be murder and should be punishable by life imprisonment;

(2) that we should announce in the debate that we accept the recommendations of the Royal Commission on these points and that we will take an early opportunity of introducing legislation to give effect to them and that we should say that we are giving further consideration to the problem of mental abnormality and to the suggestion that the Scottish doctrine of diminished responsibility should be adopted in England;
that I should indicate, on lines which I propose to discuss with those of my colleagues principally concerned, that in deciding in particular cases whether to recommend the exercise of the Royal Prerogative I shall take into account other matters arising out of the recommendations of the Royal Commission.

G. L.L. - G.

Home Office, S.W.1.

28th January, 1956.
6th February, 1956

CABINET

NATIONAL INSURANCE SCHEME: WIDOWS' BENEFITS

Memorandum by the Minister of Pensions and National Insurance

In accordance with the decision of the Cabinet on 31st January (C.M. (56) 8th Conclusions, Minute 5), the National Insurance Advisory Committee's Report on Widows' Benefits was published on 3rd February. Its unanimous recommendations were the subject of preliminary consideration by the Home Affairs Committee on 27th January and were further discussed on 30th January by a Committee of Ministers under the Lord Privy Seal who has asked me to bring the matter before the Cabinet (GEN. 515/1st Meeting).

2. The issues involved are set out at length in my paper to the Home Affairs Committee (H.P. (56) 9). The recommendations themselves are in paragraph 87 of the Committee's Report which was circulated with my paper. The recommendations are inter-related and the Advisory Committee emphasise their view that they should be taken as a whole. The Report endorses and carries further the principles underlying the present provisions. That is to say it seeks to make substantially better provision for widows while they have the care of children, and to ensure that those who are not provided with a long-term benefit are fully covered for sickness and unemployment until they are re-established in self-supporting employment. I understand my colleagues in the Sub-Committee of the Home Affairs Committee have found the recommendations generally acceptable, but wished me to invite the Cabinet's attention to certain specific points which I deal with below.

Rate of child's allowance

3. The Committee recommend that the amount allowed for each child of a widow should be "substantially" increased. They were precluded by their terms of reference from suggesting a specific amount. We have therefore to consider what an appropriate increase would be. The Committee have drawn attention to the fact that the proportion of widowed mothers who have to have recourse to National Assistance is 30 per cent, substantially above the proportion for other National Insurance beneficiaries. The larger the family, the higher proportion, and in the case of widows with four or more children the Committee mention that it reaches 75 per cent. An increase of 5s. for each child would do no more than bring the proportion of widowed mothers on assistance down to the levels obtaining for National Insurance pensioners. This amount would make the payment for each of the widow's children 16s. 6d., which has the advantage of being the current rate paid for children of a war widow who, however, not only has a higher personal benefit but gets family allowances.
as well where she has two or more children. A case can be made for a higher figure than 16s. 6d., e.g. the 18s. paid to the guardians of orphans, but I think 5s. will be accepted by Parliament as a fair interpretation of the Committee's recommendations and as right in itself.

Pension age for widowed mothers

4. At present, a woman who has drawn widowed mother's allowance up to the age of 40 or beyond can thereafter get a widow's pension for life, but a childless widow, or a woman who is widowed after her children have passed out of the family allowance field, cannot get a widow's pension unless she is over 50 when her husband dies. The Committee say that if their general recommendations are accepted, this special treatment now accorded to women who have drawn widowed mother's allowance should disappear and an entitlement to widow's pension should in such cases only arise if the widow is 50 years of age when entitlement to widowed mother's allowance ends. It is recommended that this change should not affect any woman already widowed at the time the change is made. Paragraph 6 below shows that, while this recommendation will have no immediate effect, it will over the years yield very substantial savings to the National Insurance Fund. The Advisory Committee have made a very good case for this recommendation based on the better provision to be made for the widowed mother, both while she has children in her care and in re-establishing herself in employment when they are grown up. They also stress the "gross inequities" arising from the present provision. It does involve the withdrawal of a right under the scheme, but this will not affect any existing widow, nor in fact is any woman now in a position to know that this change will affect her.

The linking of marriages

5. The question has arisen whether, when we accept the reduction of the duration of marriage requirement from ten years to three, it is necessary to retain the present concession whereby, when a woman whose right to widow's pension depends on duration of marriage is widowed but her last marriage had not lasted long enough to qualify her for pension, she can bring into the account the duration of an earlier marriage in certain cases. For the concession, she must either have been receiving a widow's pension from her earlier marriage or there must have been less than three years between the marriages, apart from any period in which widowed mother's allowance was paid. The idea underlying the provision is that, where there is only a short interval between the periods in which the widow was either married or had a widow's benefit, she will hardly have got re-established in employment. When the general duration of marriage requirement is reduced to three years, the occasions for the use of the linking rule will be few and the point becomes a very small one; and I think it would be unfortunate to depart in this respect from the Committee's recommendations which we should accept as a whole.

Cost

6. The financial statement attached to H.P. (56) 9 shows that the cost to the National Insurance Fund of the Committee's recommendations as a whole on the basis of a 5s. increase for each child would be £33½ millions in the first year - with, however, a saving of £1 million to the Exchequer on National Assistance. These figures would show no important alteration for ten years or so but thereafter the cost would
diminish and, disregarding National Insurance expenditure already allowed for in the Family Allowances Bill, there would ultimately be a saving to the National Insurance Fund of £1 million.

7. I understand that the figure of 5s. for the increase of the child's allowance is acceptable to the Chancellor of the Exchequer, though he is reserving his position generally in view of the position in respect of the 10s. widows, to which I will now refer.

The 10s. widow

8. As I warned the Cabinet on 31st January, the most difficult problem both politically and on merits is that of the 10s. widow. There are at present 180,000 of these ladies; some 8,000 or 9,000 new 10s. pensions are at present issued annually; and, though the total number of them is gradually declining, it is estimated that there will still be over 100,000 of them in 1974. The way in which this class of pension was continued by the Act of 1946 is set out in paragraph 11 of H. P. (56) 9 and the pledge given at the time is set out and commented on in paragraph 56 of the National Insurance Advisory Committee's Report.

9. My predecessor was under severe pressure, mainly though not exclusively from our own Party, to improve this pension. On the face of it if 10s. were right in 1946, it is arguable that it can hardly be right in 1956, and it is of course a fact that the vast majority of pensions both National Insurance and others have been increased since just after the war. My predecessor's action in referring this matter to the Advisory Committee was criticised on the grounds that it was intended to result in delay. The fact that the Advisory Committee have taken the view that it is outside their terms of reference to make a recommendation about the rate of pension which should be paid to these widows will undoubtedly result in a good deal of discontent. The Advisory Committee take the view that this is a matter which should be "decided by considerations other than those which govern the provision of benefits under the present scheme, and therefore by considerations which are outside the ordinary purview of this Committee, and on which we are not prepared to express an opinion". (Paragraph 68).

10. The main recommendations of the Report will, if put into operation, confer substantial benefits on a number of these widows. In the Committee's view, which I share, these recommendations will cover most of the cases in which hardship can be said to exist. This is particularly the case of the recommendation under which these ladies would be given immediate rights to unemployment and sickness benefit. Another section of them will receive benefits under the new scheme as the result of the reduction of the necessary length of marriage from 10 to 3 years. But the fact must be faced that these recommendations will not help a certain number of them, particularly those who do not go out to work and to whom this pension is a useful supplement either to other income or to the support given by relatives. Equally, this pension is appreciated by a number of widows who are in full work and who are able to draw it, because no earnings rule is attached, in circumstances in which they could not draw other benefits to which they might be entitled.
11. There are in theory four possible lines of action -

(a) to make no change;

(b) to continue the pension at its present rate to existing pensioners but to stop new issues of it at a convenient date related to the changes recommended in the Report;

(c) to increase the rate of this pension. In the light of other changes the most obvious rate at which to fix it would be 15s.;

(d) to increase the rate, say to 15s., and cut off new pensions as proposed in (b) above.

12. The matter is largely one of political judgment. My personal view is that we are not likely to be able to hold the 10s. rate very much longer, particularly in view of the complications referred to in paragraph 9 above. On balance therefore my preference would be for course (d) above. I do not think it would be possible to cut off further issues of the pension without making an increase, and I feel strongly that it would be quite impossible to cut off further issues of the pension even following an increase in the rate, if that increase in the rate were seen to be the result of a surrender to pressure rather than of a Governmental initiative.

13. The difficulty in making a choice is accentuated by the fact that these widows do command a considerable volume of sympathy and, while the main recommendations of the Report would undoubtedly deal with the greater number of real cases of hardship, it is not possible to say that they will deal with all of them. I doubt, therefore, as indicated above, whether it would be possible to stand on the 10s. rate, particularly after the provisions of the Pensions (Increase) Bill are known.

14. The cost to the Fund of raising the rate from 10s. to 15s. would amount in the first year to £2.4 million. Against this there would be a set-off of £1 million relief to National Assistance. But if, in accordance with course (d) above, this increase were coupled with a cessation of new awards the extra cost would decline and would be very small in ten years' time. In twenty-five years' time the combined operation would result in a saving of about £1 million a year to the Fund.

15. I have been into the question of repercussions. I must accept that action along the lines of course (d) would result in it being necessary to make an increase to 30s. in the rate of the 20s. pensions of War Pensions and Industrial Injuries widows. The combined cost of this would be £150,000 a year, but I think it is likely that these are changes which would have to be made before long in any event.

16. I understand that the Chancellor of the Exchequer is concerned at the possibility of repercussions involving an adjustment of the non-contributory old-age pension, the 26s., maximum of which has been frozen since 1946. This is the old means test pension for men and women over 70, and no further issues of it will be made after 1961. It has since 1947 been administered, subject to a means test, by the National Assistance
Board and is tending to be treated more and more as simply a branch of National Assistance. Its means standards are different from National Assistance, being in some cases more and in others less advantageous than those laid down for assistance. But, as National Assistance rates have been increased, it is rapidly being merged in assistance. I am not aware of any serious pressure to increase the £26s., apart from the perennial and insistent pressure to increase National Assistance generally. I do not believe that changes in this pension would have to be conceded as a consequence of any change in the 10s. widow's rate.

17. I should add that, whereas the other matters dealt with in this paper would require legislation, alterations in the rate of the 10s. widows' pensions, and a cut-off of its issue, can be effected by Statutory Instrument subject to the negative prayer procedure.

18. As requested by the Cabinet on 31st January, 1956, I attach as an appendix a draft of a statement to Parliament. So far as the 10s. widow is concerned, alternative passages based on paragraphs H(a) and H(d) above are submitted.


4th February, 1956.

APPENDIX

I will with permission make a statement about widows' benefits.

2. Her Majesty's Government have now considered the Report of the National Insurance Advisory Committee which was laid before this House on 3rd February. The Committee in their Report stressed that their recommendations should be considered as a whole. Her Majesty's Government have decided to accept in full the recommendations of the Committee. These are set out in detail in paragraph 87 of the Report.

3. The Committee, in paragraph 37 of the Report, recommended that a substantial increase should be made in the benefits paid in respect of the children of widowed mothers. They felt, however, that they were precluded from recommending a particular figure by their terms of reference. The Government have come to the conclusion that it would be appropriate to increase this benefit by 5s., thus raising the payment for each child from 11s. 6d. to 16s. 6d., including family allowance.

4. Similar improvements in respect of the provision for children will be made in the Industrial Injuries Scheme.

5. These changes will require legislation which will be laid before Parliament in due course. It will not be possible to proceed with this
legislation this session and it would in any event be desirable before legislating to see the other Reports to which the Committee refer.

6. The Committee considered the position of the 10s. widow, that is to say, the widow pensioner whose title derives from her husband's insurance under the scheme which was superseded in 1948. The acceptance of the Committee's Report will result in a number of these widows obtaining full widow's pension under the current scheme and all of them will receive further National Insurance rights. There will, however, be a number of these widows who will not obtain any benefit from the Committee's recommendations, and none of them will do so until it is possible to enact the necessary legislation. In view, therefore, of the changed value of money, the Government have decided to increase the rate at which these pensions are payable to 15s. The Government have also reached the conclusion that, when the improvements proposed by the Committee are in effect, it will no longer be appropriate, in view of the lapse of time, to issue new pensions of this category and steps will be taken subsequent to the implementation of the Advisory Committee's Report to terminate the issue of new pensions of this sort.

7. The increase in the rate can be effected by Statutory Instrument. The necessary Statutory Instrument will be laid before Parliament in a week or two's time.

Alternative to last two paragraphs

There remains the question of the 10s. widow as those widows whose title derives from their husband's insurance under the scheme which was superseded in 1948 are commonly called. As the House will be aware the Advisory Committee did not feel able to make any recommendation in respect of the rate of these pensions though it gave full and careful consideration to the position of these widows. The Government's acceptance of the Committee's recommendations will result in a substantial number of these widows receiving a full widow's pension under the current scheme and in all the others receiving further rights under the National Insurance scheme. The Committee have said that these recommendations will cover the obvious cases of real hardship among these widows. In the circumstances the Government do not feel that there is any justification for increasing the rate of these pensions which have no counterpart in present provisions for widowhood, and which are, in a considerable number of cases, paid where no pension at all would be paid to widows under the present scheme.
CABINET

NATIONAL INSURANCE SCHEME: WIDOWS' BENEFITS

Memorandum by the Chancellor of the Exchequer

In C.P.(56) 23 the Minister of Pensions seeks authority to make a statement announcing the Government's intentions in regard to the recommendations in the Report of the National Insurance Advisory Committee on Widows' Benefits. This Report deals with the provision for widows under the National Insurance Scheme and raises the related question of the future of the 10s. widow.

2. The Minister has proposed:

(a) that all the recommendations made by the Advisory Committee should be accepted, including the suggestion that the payment for each child should be raised by 5s.;

(b) that the rate of the 10s. pension should be raised to 15s., and future awards of this pension should be stopped.

3. These proposals would involve additional expenditure from the National Insurance Fund of £3½ millions for widows generally and of £2 millions for 10s. widows. I note that some part of this increase has been taken into account as part of the cost of the proposed Family Allowance Bill and that there would be a saving to the Exchequer in national assistance of about £1½ millions.

4. In present circumstances, additional expenditure of this order is unwelcome. Moreover, the proposed increase of 5s. in the children's rate - a matter which was not strictly within the terms of reference of the Advisory Committee - is generous. Nevertheless, I would not wish to raise objection to the Minister's proposals for widows generally.

5. I do, however, see grave objection to the proposal that the rate of the 10s. widow's pension should be raised by 5s. at a cost of £2 millions.

6. It is agreed that the payment of these pensions is an anachronism. The National Insurance Scheme does not treat widowhood as a condition which as such calls for a permanent pension - and this doctrine has been endorsed by the Advisory Committee in their Report.
10s. pensions, payable to widows whose husbands had contributed for the unconditional pension provided under the pre-1948 scheme, have been continued as a transitional measure. For this reason, both this Government and its predecessor have refused to increase this particular pension rate when other rates have been raised.

7. A pension rate of 10s. bears no relation to subsistence; nor would a rate of 15s. The sole justification for an increase of this kind would be the maintenance of the value of the pension. But the acceptance of a commitment of this nature in relation to 10s. widows would destroy the Government's case for leaving the non-contributory old age pension at 26s. A comparable concession here would cost about £6 millions. Similar improvements in pension rates in the industrial injury and war pension fields - which have remained unchanged since 1948 - would cost a further £150,000.

8. An increase of 5s. in the 10s. pension would, in the case of the majority of widows who have other resources or are earning, merely mean an extra 5s. a week spending power. 10s. widows without resources who now receive national assistance would not benefit by a net increase in income, as the extra pension would be deducted from the assistance payment now in issue.

9. There is a strong case for cutting off future awards of this pension and thus removing a potential source of future embarrassment. A cut off now would mean the ultimate disappearance of the problem of the 10s. widow. But the existence of a "closed" class of 10s. - or 15s. - widows would remain as a source of trouble for many years.

10. I consider that we should seize this chance to stop future awards of 10s. pensions, but I feel strongly that we should make no concession to existing 10/- widows. Any concession would be costly and would have expensive repercussions. If my colleagues think that this is not a feasible course I consider that we should stand firm on the present arrangements and the present rate.

H.M.

Treasury Chambers, S.W.1.

6th February, 1956.
SECRET
C.P.(55) 30
COPY NO. 51
6th February, 1956

CABINET

STATEMENT ON DEFENCE 1956

Note by the Minister of Defence

I attach a printed proof of the Statement on Defence 1956. It has been seen at an earlier stage by the Prime Minister, the Foreign Secretary, the Chancellor of the Exchequer, the Home Secretary, the Commonwealth Secretary, the Colonial Secretary, the Service Ministers, and the Minister of Supply and I have had the benefit of their comments in preparing the present text.

2. I wish to draw attention to two points:-

(i) the reference in paragraph 6 of the Introduction to the possible use of nuclear weapons in limited war, which I think should remain. I shall have to deal in the debate with the question of graduated deterrence, which is arousing considerable public interest, and a lead-in in the White Paper would be useful;

(ii) the passages dealing with evacuation in paragraph 16(iv) and paragraphs 117 and 118. These latter paragraphs have been revised after discussion by the Ministerial Committee on Civil Defence, and the following text is now proposed:

"The Government have carried out a review of evacuation policy. They have reached the conclusion, which they are sure will find general support, that first attention must be given to the evacuation of the "priority classes", the definition of which they propose to extend to include mothers, young children and adolescents generally and the aged and infirm. They propose to discuss with representatives of the local authorities proposals for the evacuation of these classes, including provisional conclusions which they have reached on re-classifying the country into evacuation, neutral and reception areas.

They also contemplate that after the movement of the priority classes further measures of evacuation would be carried out, as time and transport allowed. These further measures
can necessarily only be planned in the broadest outline, since so much would depend on the situation at the time."

3. I should welcome the view of my colleagues particularly on whether the bracketed sentences at the end of the revised passage on evacuation should be included.

4. The White Paper is to appear on 16th February, and because of the printing dispute, the final version must go to press by the evening of 10th February.

W.M.

Ministry of Defence, S.W.1.

7th February, 1956.
Statement on Defence 1956

Presented by the Minister of Defence to Parliament
by Command of Her Majesty
February 1956
Statement on Defence, 1956

Defence Policy

1. Paragraph 1 of the 1955 Statement on Defence set out the broad lines on which Her Majesty's Government propose to develop their future defence policy. The main task of the past year, a task that will continue, has been to translate that policy into a defence programme. In that process account has to be taken of three main factors: political, strategic and economic.

Political Factors

2. During the summer of 1955 there was some reason to hope for a genuine relaxation in international tensions and for the growth of tolerance and understanding between the nations of the free world and those under Communist government. But this hope has not been fulfilled. The Foreign Ministers' Meeting in October, 1955, made it clear that, for the present at least, there is no change in Soviet long-term policy which, fundamentally, aims at world domination. The Soviet Government continue to believe in their right, indeed in their mission, to impose when they can political and economic systems on other nations and to withhold from them the right to choose their own future. In several of their recent pronouncements the Soviet leaders have reaffirmed their belief in the eventual triumph of Communism throughout the world. Their policies are openly directed to achieving this end. They claim that they wish the "capitalist" and Communist Powers to exist and compete together, but at the same time they seek by all means in their power to undermine the collective defences of the free democracies. The interventions of the Soviet Government have threatened the stability of the Middle East and they have thought fit, in pursuit of their aims, to sow mistrust between peoples, and to lend their support to revolutionary forces throughout the world.

3. The aim of the democracies is to establish peace and prosperity, within which the peoples of the world can develop their lives in freedom. The military forces of the democracies must be designed to support this aim. They must adopt such a posture that the Soviet Government will see that it would be mistaken and dangerous to found their foreign policy on the belief that the democracies need to crave co-existence. As long as co-existence is used as a façade behind which new offensives against the democracies can be planned at leisure and launched at will, it is essential that the democracies should maintain their strength and deploy it in such a way that those offensives are not worth launching or are checked at an early stage. This is not to say that we should modify in any way our attitude of readiness to negotiate on outstanding issues whenever sincere negotiation appears possible. But negotiation cannot succeed unless it is clear that the democracies have the will and the means to maintain their integrity indefinitely. If it is arguable that much of the present hostility of the Soviet leaders and their assumption of aggressive intentions in the West are based on genuine ignorance, it remains necessary none the less for the Western Powers to hold their own in the world by their defensive strength until such time as a true understanding of Western policies can make its impact on the Soviet Government.
Strategic Factors

4. The increased power of the deterrent, that is, the nuclear weapon and the means of delivering it, has made global war more frightening and less likely. Our first and chief objective must be to prevent war by the maintenance of the Allied deterrent, to which we have begun to make our own substantial contribution. It is our belief that given the deterrent, given a robust belief on the part of the free world in the strength of their institutions, and given the continued growth of N.A.T.O.’s defensive power, global war can be prevented. In the deterrent must be included an effective early warning system and the ability of the forces of the North Atlantic Treaty Organisation to hold the line by land, sea and air until the nuclear counter-offensive has broken the back of the enemy assault.

5. It is sometimes argued that, with the build-up of a stock of thermonuclear bombs by the Russians, the deterrent value to the Western Powers of building up a stock of bombs and the means of delivery will diminish. This is not so. The objective of the Western Powers is defensive. They will never be the aggressors, but they must have, and be known to have, the power of instant and overwhelming retaliation if attacked. It is the retaliatory power which is the vital factor.

6. Apart from preventing global war we have to be prepared for the continuance of the cold war; that is the constant and world-wide threat of Communist penetration short of direct military aggression. Equally we have to be prepared for the outbreak of localised conflicts on a scale short of global war. In such limited wars the possible use of nuclear weapons cannot be excluded.

7. If global war were to break out it would, as described in last year’s Statement on Defence, be a struggle for survival of the grimmest kind. Its course would be unpredictable after the initial, intense phase. For this reason we must, in the military field, put the emphasis on forces which are flexible, mobile, well-trained, well-equipped, and versatile. They must be ready for immediate action; we can no longer rely on meeting our needs for men or munitions by mobilising reserves of untrained manpower or of industrial capacity. In the field of home defence, the emphasis must be on planning and on measures to secure full co-ordination between the military and civil authorities. We have to develop new techniques over a wide field, and to create an organisation for home defence which can be readily expanded or adapted as changes in the international situation or in the development of new weapons may require.

8. The forces required to support our present strategy have, therefore, four roles to fulfil:

(i) They must make a contribution to the Allied deterrent sufficient in quality and size to maintain our standing as a world Power. This means not only building up and maintaining a nuclear stockpile and the means of delivery, but also contributing to the maintenance of N.A.T.O.’s defensive effort by land, sea and air.

(ii) They must play their part in the cold war. By their mere presence they can contribute to the stability of the free world, and the security
of overseas territories whose peaceful development may be threatened by subversion whether overtly Communist or masquerading as nationalism.

(iii) They must be capable of dealing with outbreaks of limited war should they occur.

(iv) They must also be capable of playing their part effectively in global war should it break out. This will have to include support to the civil authorities.

Economic Factors

9. The continued economic strength of the free world is an essential element in our ability to resist Soviet aggression and the burden of defence cannot be allowed to rise to a level which would endanger our economic future. This burden does not consist only in the effect of high defence expenditure on the general level of taxation, important though that is. Defence production falls in the main upon the metal and metal-using industries, which supply about half our exports and are of great importance in the re-equipment of British industry. They thus play a vital role in strengthening our balance of payments. The maintenance of British forces overseas involves a heavy direct charge on the balance of payments. The claims of defence research must be balanced against the competing claims on our limited resources of scientific manpower. And the size of the forces themselves inevitably reduces the manpower available for the tasks of civil industry.

10. The cost of new weapons is increasing, and will go on increasing. This means that any long-term defence programme based on the maintenance of forces at their present level would show a steadily and steeply rising curve of expenditure. Since, failing some radical change for the worse in the international situation, there is a point beyond which expenditure on defence cannot be allowed to rise, one consequence of equipping our forces with the new weapons which are essential to their efficiency in the new strategic conditions, is a decline in their numbers. As the Prime Minister announced in October, 1955 the Government have decided to reduce the manpower in the forces to about 700,000 by March, 1958. This reduction will provide a relief to the national economy and will release resources for the improvement of our industrial position.

11. This concept, of smaller and better equipped forces, does, however, place a premium on the highly-skilled long-service regular. Quite apart from the advantage in terms of morale and stability of a predominantly long-service force, the newer weapons will demand for their proper use increasingly high standards of training and maintenance. The Government have decided to introduce substantial improvements in Service pay and inducements. The details will be announced shortly. They will reflect the importance which must in present circumstances attach to long service. It is to be hoped that these increases will produce a marked improvement in the level of regular recruiting, and in particular in the numbers of men signing on for or converting to long-service engagements.
Reserve Forces

12. The new concept also involves a shift of emphasis in reserve planning. We have two main requirements; a requirement for a number of highly-trained reservists capable, at very short notice, of reinforcing certain special areas, special units or ships, and a requirement for a larger number of reservists to act initially in the defence of this country in global war and to come to the help of the civil population.

13. There may also be the problem of reinforcement for limited war, in which it would be obviously desirable, and indeed necessary to resort to measures short of general mobilisation by Proclamation. It may be necessary in due course to propose legislation to meet this difficulty.

The Defence Review

14. Against this background Her Majesty’s Government have been engaged upon a review of the further development of the Services. This review has been carried forward for as long a period as possible. At a time of rapid technical advances there must come a point beyond which it is impracticable to plan, because any conclusions will be based on guesswork. Nevertheless, proposals for this year have had regard to probable developments over the next seven years. The objects of this review were:

(i) to ensure that the developing pattern of the Services over the next few years conforms to the needs of the new strategic situation;

(ii) to provide for the Services reasonably long-term plans on which their production, training and building programmes can be based. The experience of the last few years has shown that these programmes should be framed over a period of at least three years and viewed against a still longer-term plan if we are to make the best and most economical use of the resources available;

(iii) to ensure that the reduction in manpower falls on those forces which involve least military risk;

(iv) to ensure that the cost of defence whether in terms of manpower, materials or money does not overload the economy.

In so far as the results of the Defence review may require major changes in the size and shape of our present forces these can only be carried out over a period of years.

15. The new policy, and in particular the concentration on improved weapons, makes a strong research and development effort essential. Moreover, in the particular circumstances of this country we must, if we are to keep abreast of developments elsewhere, concentrate our effort on a limited number of projects of the highest strategic importance. We cannot afford to spread our programme too widely. There have been signs recently of overloading in the Research and Development programme, and from precisely this cause. The whole programme is therefore being thoroughly examined in order to establish a better balance between the resources available and the projects to which the highest priority should now be attached.

16. The programmes of the Services and home defence are described in more detail in later paragraphs, but the general implications for each Service
of the strategic situation and the strategic requirements described above can be summarised as follows:

(i) **Navy**

The Navy will maintain an effective fleet capable of supporting this country's influence and interests as a world-wide Power and a member of the Commonwealth and of N.A.T.O. The further development of new weapons and technique should enable it to strike whatever may threaten us by sea in the future whether in limited or global war.

(ii) **Army**

The Army will be primarily organised so that it can bring force to bear quickly in cold or limited war. Balanced forces must be retained overseas to meet cold war requirements and to hold the line until reinforced if limited war should break out. A strategic reserve must be retained and must be capable of rapid transportation to the scene of trouble for cold or limited war tasks. Our forces in Germany must, as an integral part of N.A.T.O.'s defensive system, be reorganised so that they will be capable of giving the best account of themselves should global war be forced upon us. Units in the United Kingdom must be available for all aspects of home defence.

(iii) **Royal Air Force**

The Royal Air Force will provide our contribution to the nuclear deterrent in the shape of strategic weapons and a medium bomber force capable of delivering them. New and improved aircraft and equipment will be introduced as they become available into the air defences of this country. Planning in this field is complicated by the need to take account of the introduction of guided weapons, and to balance the importance of continued improvement in the manned fighter defence against the need to make resources available for the development and deployment of a guided weapon system. Our tactical air forces in Germany will continue their contribution to N.A.T.O. defence. For the rest the primary consideration in planning the air forces for both combat and transport will be their contribution to cold and limited war.

(iv) **Home Defence**

At this stage the chief task in the field of home defence will be to continue preparations for minimising losses and casualties by developing an evacuation plan; for the progressive instruction and education of the public; for establishing an effective fall-out warning and monitoring system; and for reducing disorganisation after thermo-nuclear attack, including arrangements for enabling the armed forces to give the most effective help to the civil authorities in hard-hit areas. The services organised by local authorities will be fostered.

**Disarmament**

17. The Government will continue to work for world-wide disarmament as a means of reducing international tension and of transferring to more constructive purposes the resources which now have to be devoted to armaments. Their ultimate goal remains the conclusion of a comprehensive disarmament agreement, covering both conventional and nuclear armaments.
It is evident, however, that such an agreement could not be put into effect until adequate methods of control had been discovered and agreed for supervising every aspect of it; and in 1955 it has become widely recognised that at present no known method exists of guaranteeing the elimination of stock-piles of nuclear weapons or of controlling completely the future production of potentially dangerous fissile material.

18. The Government believe that the search for a solution to all the problems of controlling nuclear disarmament must go on. They have also been giving thought to the possibility of concluding an agreement which would permit a first instalment of disarmament to be carried out without delay. They therefore joined in sponsoring at the recent United Nations General Assembly a resolution proposing that the United Nations Disarmament Sub-Committee, whilst not abandoning its search for a comprehensive disarmament plan, should give priority in 1956 to early agreement on “all such measures of adequately safeguarded disarmament as are now feasible.” The resolution gave equal priority to consideration of such measures as President Eisenhower’s plan for reducing the danger of surprise attack through the exchange of military blue-prints and mutual aerial inspection. Increased confidence is generally recognised to be an essential pre-condition of any large-scale disarmament. It follows that the adoption of even a modest degree of disarmament related to conventional weapons, coupled with appropriate measures for control including aerial inspection, should create an atmosphere in which bolder advances could follow.

19. In modern conditions war can occur so swiftly and so devastatingly that it is impossible to expect states to undertake to disarm unless they are assured that other states will honour any commitments they may have assumed. Agreement on an international control system which can adequately supervise every step of disarmament therefore remains the crux of the disarmament problem. Despite this, however, and despite the advances towards the Western position which were contained in the new Soviet proposals of May 10 last, the Soviet Government have still refused to accept the proposals of the Western Powers on the control problem, or to produce realistic proposals of their own. So long as this attitude is maintained, there is little hope of making effective progress towards disarmament.

Conclusions

20. The advent of the hydrogen bomb has enormously strengthened the power of the deterrent and provided the deterrent is maintained the likelihood of global war has decreased. The main threat to our freedom and security will come from an intensification of the cold war in all areas susceptible to Communist penetration and our forces must be prepared against the possible outbreak of limited wars. There is no sign that the leaders of Soviet Russia have abandoned their militant Communism and their aim of world domination. Nor are they prepared so far to accept the implications of a realistic scheme of disarmament. Accordingly in present circumstances the level of our defence effort must be maintained. The forces will become smaller but harder-hitting forces, and will be deployed and organised to meet an altered threat; but we must at all times retain the ability, in association with our allies, to
meet the continued threat of Communist aggression with defensive forces properly trained and equipped for the job.

II.—THE PROGRAMMES OF THE SERVICES

The Royal Navy

21. For the reasons given earlier in this paper, the long-term plans for the Navy must be based on the deployment of a smaller fleet than at present. It is therefore more than ever important that this fleet should consist of ships of modern design and that their equipment should keep pace with developments.

22. The cold war is the most immediate threat. The Navy is able to play an important part in upholding our interests and influence in peacetime in distant parts of the world. By its presence on many foreign stations, by its close ties with the navies of other nations, and by the goodwill that it engenders in foreign countries, the Navy is a valuable weapon in the cold war against Communism.

23. In limited war we plan to make immediately available in any part of the world a force of aircraft carriers equipped with modern aircraft and supplemented by cruisers and escorts. Emergencies that do not require action by aircraft carriers can be dealt with by cruisers which, because they are capable of sustained operations away from base, are the most economical units of sea power.

24. The fleet will with these forces continue to make a substantial contribution to the naval strength of the Commonwealth, N.A.T.O. and S.E.A.T.O. in meeting the needs of global war.

25. The new construction and modernisation programme is designed to ensure that the fleet, though small in numbers, is well armed and up to date. A programme for adapting existing aircraft carriers will provide for the fleet sufficient vessels to enable modern types of aircraft to be operated. Good progress is being made with the guided missile programme and it is intended that these weapons should be installed in both the new cruisers and the new destroyers. Since the threat from submarines is much greater than anything this country has had to face before, the Navy is continuing to pay great attention to increasing the effectiveness of its anti-submarine forces by the building of anti-submarine ships and aircraft and the development of anti-submarine helicopters. The submarine is capable of substantial development and the Navy is planning to replace its submarine force with vessels of considerably higher performance. Research continues into new methods of propulsion, including the use of nuclear power.

26. The Admiralty have concluded a survey of the reserve fleet with a view to ensuring that the best ships are kept available for service at short notice at the smallest possible cost to the country. They plan to keep in the reserve fleet only those ships capable of putting to sea at short notice and fighting effectively in a modern sea war. Of the other ships in reserve, those that are obsolete or have reached the end of their useful life will be disposed of.

27. The structure of the shore support of the Navy is being examined to ensure that it meets the charged requirements of the active and reserve fleets which are being reshaped on the lines described above.
The Army

28. A large part of the overall reduction in manpower between now and 1958 will of necessity fall on the Army as the largest Service. This reduction will involve a considerable measure of reorganisation, including reductions in establishments, in training staffs, in Headquarters and in administrative and supporting units.

29. This is, however, only one side of the picture. In conformity with the new concept of flexibility the Army must not only be capable of giving a good account of itself in a war in which nuclear weapons may be used, but must also be able to adapt itself to limited war conditions. Extensive trials to determine the best organisation for a nuclear war have taken place in Germany. While the details are still being worked out it is already clear that the infantry division, although of the right general structure, can be given more weight over a wider front by integrating armour with the infantry brigade and by adding medium artillery. Changes will also be needed in the present form of the armoured division to make it more mobile and flexible, and thus enable it to exploit rapidly-changing conditions, by reducing the number of supporting units to a minimum required for armoured action.

30. The new organisation of these basic fighting formations can, and will, be adapted to the needs of theatres other than Europe.

31. The same principle of securing the greatest possible flexibility is being applied to the re-equipment programme. The range of arms held by units will be simplified and reduced, and their effectiveness progressively increased.

32. We shall be receiving in 1956 initial supplies of the American surface-to-surface guided weapon known as Corporal. Training in handling and deployment will start this year and the introduction of this weapon into service will greatly strengthen the defensive power of our forces.

33. The Army and R.A.F. are jointly carrying out experiments to determine whether helicopters or other forms of aircraft capable of taking off and landing in confined spaces, could assist in solving the Army's problems of greater flexibility and mobility arising from the new circumstances.

34. With the redeployment of our forces from the Canal Zone it has been possible to make progress with the build-up of the Strategic Reserve in this country. Its strength at any one time will, of course, depend on variations in our overseas commitments. We have recently, for example, reinforced the Middle East, and it is precisely this kind of requirement which the Strategic Reserve is designed to meet. A large part of it is trained and organised for transport by air.

35. For the reasons given in the Introduction to this Statement and as already explained by the Secretary of State for War in December 1955, the role of the Reserve Army is fundamentally changed. A major reorganisation is now under way. Only two Territorial Army divisions and a number of supporting units will be trained and fully equipped for overseas service. Most of the rest of the Reserve Army will be organised as infantry divisions with the initial task of home defence in all its aspects; they will be trained to fight as well as for civil defence duties since there can be no certain forecast
of events, and they will be backed by their own support including engineers, transport, repair, supply and medical services. The Reserve Army will, however, no longer need its present scale of armour and artillery, and some of these units will either amalgamate, disband, or convert to other roles.

36. The T.A. Airborne Division will be reorganised as a Brigade Group designed to make the maximum use of parachute volunteers both to keep the technique alive and to provide a nucleus for any additional special air service units which may be needed.

37. In the light of modern weapon developments it is clear that there is no longer any justification for maintaining Coast Artillery. The seaborne threat can be countered more effectively by the Navy and the Air Force, and other types of artillery can, if needed, be used for seaward defence. The Government has therefore decided that all existing Coast Artillery Units will either be converted to new roles by amalgamation with other units or become inactive. So far as possible, however, it will be the aim to preserve the identity of all Territorial Army Coast Artillery Regiments in some other role.

38. It will be some time before plans can be fully worked out and the reorganisation of the Reserve Army on these lines completed. As already announced, the Home Guard has been reorganised on a reserve basis, with small active cadres remaining as a framework for expansion in emergency.

The Royal Air Force

39. The primary task of the Air Force continues to be the build up of the V Bomber Force and its associated stock of nuclear weapons which together will provide our main contribution to the Allied deterrent. The manned bomber provides an effective and flexible means of delivery of our strategic weapons, and technical improvements will be progressively introduced which will maintain the ability of the bomber force to strike home if the need should arise.

40. The Valiant, the first of the V Bombers, is now in service and we expect that it will be followed into service by the Vulcan during the coming year.

41. For some time to come the manned fighter must continue to provide the backbone of our Air Defence system. The fire power and lethality of fighter aircraft will be markedly increased by equipping them with air-to-air guided missiles. The first generation of missiles will become available from production in the course of 1956–57. They will be brought into service with a special mark of the Swift, and will be used to gain experience of this type of weapon.

42. Although manned fighter aircraft and their weapons will improve, the surface-to-air guided weapon will in time play a predominant part in Air Defence. A production order has been placed for these weapons for trials with the Air Defence system. Because of the area of destruction of nuclear weapons close defence of vulnerable areas is an outdated concept. It must be the aim to design a guided weapons system which can break up enemy attacks before they penetrate over the coastline and which can be integrated with our fighter defences.
43. Plans have already been announced for the provision of training facilities in the Hebrides for all types of guided weapons.

44. An efficient Control and Reporting System is essential for timely retaliation by our strategic counter offensive and to the operation of our air defences. Considerable advances have been made during the past year by the introduction of new equipment and by linking our radar defence with similar networks on the Continent. Following the meeting of the N.A.T.O. Council in December, 1955, the planning of a co-ordinated air defence system for N.A.T.O. is being pressed ahead. We shall co-operate fully in the development of this system which will also contribute to the air defences of this country.

45. The 2nd Tactical Air Force in Germany and Coastal Command continue to contribute to N.A.T.O. air power. Hunters are replacing Sabres in the 2nd Tactical Air Force. The equipment of this force will be further improved during the coming year by the introduction of the fighter reconnaissance version of the Swift and the Night Interdictor version of the Canberra.

46. Cold and limited war tasks emphasise the importance of air mobility, upon which all three Services, particularly the Army and the Air Force, must depend in the event of emergencies overseas. Aircraft both of Transport and other Commands of the R.A.F. are playing an increasingly important part in improving the strategic mobility of our forces.

47. Increasing importance attaches to the ability of our air forces overseas, including the R.A.F. Regiment, to support local operations. The use of the Pioneer for jungle work in Malaya has provided valuable experience which will be applied to the future employment of aircraft of this type.

**III.—FINANCE**

48. The economy of the United Kingdom has been overstrained during the past year by the demands placed upon it, and in consequence the balance of payments has worsened and the gold and dollar reserves have been depleted. The Government’s economic policy is directed to removing the excess demand for goods and services. There is therefore a pressing need to limit defence expenditure to what truly is essential and to ensure that the best possible value is obtained for what is spent. Particular attention is being given to the prices paid by the Defence Departments and to the efficient management of Service stockholdings.

49. Pending the conclusion of negotiations with the Federal Government of Germany, it has been assumed that support for the British forces in Germany will continue throughout 1956–57 at the same rate as in the concluding months of 1955–56. £50 million has therefore been appropriated in aid of Service Votes (£40 million Army, £9·5 million Air Force, and £0·5 million Navy). To the extent that such support is not provided, the local cost of maintaining these forces will fall on our own Defence Budget.

50. The total of the Defence Budget proposed for 1956–57 before deducting receipts from American Aid is £1,548·7 million as compared with £1,537·2 million in 1955–56. After deducting American Aid, the figures are £1,498·7 million in 1956–57 compared with £1,494·2 million for 1955–56.
Summary of Estimates

51. The following table compares the Estimates for 1955–56 with those for 1956–57. An analysis of the 1956–57 figures is provided in Annex II:

<table>
<thead>
<tr>
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<th>Before Deducting Receipts from American Aid</th>
<th>After Deducting Receipts from American Aid</th>
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<tr>
<td></td>
<td>£ million</td>
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<td>Admiralty</td>
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<td><strong>Total</strong></td>
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<td>1,548.7</td>
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</table>

52. The above figures include the cost of the increases in Service pay and emoluments, of which details will be announced shortly.

United States Aid

53. The total of £1,548.7 million for the Defence Budget includes provision for expenditure in 1956–57 representing £50 million of the sterling equivalent of, or of sterling arising from, aid from the United States. This aid, which is of the same four types as in 1955–56, has been allotted as follows:

<table>
<thead>
<tr>
<th></th>
<th>Navy</th>
<th>Army</th>
<th>Air Force</th>
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<td>12.5</td>
<td>12.5</td>
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<tr>
<td>Additional R.A.F. Programme</td>
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<td>25.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5.0</td>
<td>7.0</td>
<td>38.0</td>
<td>50.0</td>
</tr>
</tbody>
</table>
The nature of these four types of aid has been described in previous Statements on Defence. The provision for £3.5 million of Defence Support Aid represents the total outstanding balance to be received by Service Votes of aid of this type. None of the £8.5 million of Agricultural Commodity Aid provided for in Service Votes, 1955–56, will be distributed in that year, and provision, therefore, is again made for that sum. It was explained in paragraph 58 of the Statement on Defence, 1955, that the provision in Air Votes, 1955–56, for Special Aircraft Purchase, was made up of a dollar and a sterling element; the first deriving from legislation passed by the United States Congress in 1953 and the second from legislation passed in 1954. During 1955–56, the full balance of the dollar element was received, but no sterling payments are now expected to be made. The provision for 1956–57, therefore, represents the sterling proceeds of all the $35 million of United States surplus agricultural commodities to be sold to the United Kingdom under the United States legislation of 1954 relating to this scheme. The provision of £25.5 million in respect of Aid for an additional R.A.F. programme is much larger than the corresponding provision (£10 million) in 1955–56. Deliveries of aircraft and equipment will not all be completed to enable the full £10 million to be received in 1955–56 and the balance is reprovided. The rest of the £25.5 million mainly represents expected payments on contracts, as mentioned in the Statement on Defence, 1955, for purchases of aircraft and equipment from Her Majesty’s Government by the United States Government to be made available to the Royal Air Force. The balance represents expected receipts from the United States Government of sterling arising from the sale of surplus agricultural commodities and allotted, under arrangements made by the two Governments, to defray expenditure by the Air Ministry on certain equipment. In addition, and as part of the scheme for assisting in the re-equipment of the Royal Air Force, the United States Government will make available to the Royal Air Force a number of Hunter aircraft purchased from Her Majesty’s Government under offshore procurement contracts to a value of approximately £13 million.

IV.—MANPOWER AND RESERVE FORCES

Active Forces

54. **Regular Recruitment.**—The following table gives the number of male regular recruits entered in each of the financial years 1952–53 to 1954–55 and the number which it is estimated will be entered in the financial years 1955–56 and 1956–57.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Navy</td>
<td>10,100</td>
<td>9,100</td>
<td>7,700</td>
<td>7,500</td>
<td>9,000</td>
</tr>
<tr>
<td>Army</td>
<td>50,800</td>
<td>41,300</td>
<td>38,900</td>
<td>34,000</td>
<td>42,000</td>
</tr>
<tr>
<td>Air Force</td>
<td>38,600</td>
<td>30,700</td>
<td>26,100</td>
<td>21,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Total</td>
<td>99,500</td>
<td>81,100</td>
<td>72,700</td>
<td>62,500</td>
<td>81,000</td>
</tr>
</tbody>
</table>
55. The following table gives the male regular strength of officers and other ranks at April 1954 and April 1955 and the estimated strengths at April 1956 and April 1957.

<table>
<thead>
<tr>
<th></th>
<th>Actual 1 April 1953</th>
<th>Actual 1 April 1954</th>
<th>Actual 1 April 1955</th>
<th>Estimated 1 April 1956</th>
<th>Estimated 1 April 1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navy</td>
<td>133,700</td>
<td>121,000</td>
<td>114,200</td>
<td>106,500</td>
<td>104,800</td>
</tr>
<tr>
<td>Army</td>
<td>211,300</td>
<td>216,900</td>
<td>223,800</td>
<td>196,400</td>
<td>192,000</td>
</tr>
<tr>
<td>Air Force</td>
<td>188,900</td>
<td>186,500</td>
<td>180,100</td>
<td>162,600</td>
<td>167,800</td>
</tr>
<tr>
<td>Total</td>
<td>533,900</td>
<td>524,400</td>
<td>518,100</td>
<td>465,500</td>
<td>464,600</td>
</tr>
</tbody>
</table>

56. In both the above tables the estimated figures for 1956–57 reflect the improvement in recruiting and prolongations of service which it is hoped will be effected by the increased rates of Service pay shortly to be announced.

57. Two things are needed to improve the regular structure of the armed forces; to increase the number of recruits and to induce as many recruits as possible to sign on for long engagements; and to persuade those already serving to prolong their service. An initial engagement of three to five years only is too short; we need more men to accept initial engagements of six, nine or twelve years and more three, four and five-year men to prolong their service. For the highly technical armed forces of the future, we require a substantial proportion of men of long service and experience.

58. The problem is urgent. Regular recruiting which has very largely been of men on short-term engagements, has already fallen from its post-war peak of 100,000 in 1952–53 to about 62,000 in 1955–56. In the Navy, extensions and recruitment have declined to such a point that the manning of even the smaller active fleet is becoming more difficult. In the Army and the Air Force, far too high a proportion of men are on three to five-year engagements, and too few of these men are extending their service.

59. The new proposals on pay and inducements, which will be announced separately in a few days' time and will be coupled with considerable changes in the present system of engagements, are specifically designed both to attract additional numbers of recruits on regular engagements, and also to strengthen the long-service element of all three Services, and thus get nearer to the manpower structure of the forces which obtained between the two Great Wars.

60. It is hoped that over the next few years the effect of the new pay code will be substantially to increase the long-service element in all three Services. This will make them more efficient, because only thus can be built up the "hard core" of men of long service and experience who provide the bulk of experienced non-commissioned officers and tradesmen. It will also be more economical, since a rapid turnover of short-term regulars involves a heavy and wasteful training burden, increased movement between home and overseas stations, and the return of a man to civil life when he is beginning to be of the greatest value to his Service. If this structural change in the three Services which is the main object of the pay improvements can be effected, many of the manpower problems of the forces, even if not wholly solved, will become far less intractable; and the day will be brought nearer when increased
reliance upon strong and efficient regular forces will permit an easing of the burden of national service.

National Service Requirements

61. As already announced in the White Paper on National Service (Cmd. 9608) there will be three registrations for National Service in the current year. The Services should require to enter in 1956–57 about 162,000 national servicemen (including men who undertake regular engagements in lieu). The requirement for each of the Services will be:

<table>
<thead>
<tr>
<th>Service</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navy</td>
<td>4,000</td>
</tr>
<tr>
<td>Army</td>
<td>106,000</td>
</tr>
<tr>
<td>Air Force</td>
<td>52,000</td>
</tr>
<tr>
<td></td>
<td>162,000</td>
</tr>
</tbody>
</table>

Total Size of Active Forces

62. The forces will be reduced from about 800,000 men and women as in the summer of 1955 to about 700,000 by 31st March, 1958. This reduction has already begun and will continue in 1956–57. The reduction will be spread as evenly as possible over the whole of the period. During 1956–57, the total strength of the active forces is expected to decline by about 37,000. In the following table, total strength at 1st April, 1955, is compared with estimated strengths at April, 1956, and April, 1957. A detailed analysis is given in Table I of Annex I.

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Estimated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 April</td>
<td>1 April</td>
</tr>
<tr>
<td>Regulars</td>
<td>518,119</td>
<td>465,500</td>
</tr>
<tr>
<td>National Service</td>
<td>284,954</td>
<td>289,100</td>
</tr>
<tr>
<td>Women</td>
<td>20,557</td>
<td>17,400</td>
</tr>
<tr>
<td></td>
<td>823,630</td>
<td>772,000</td>
</tr>
</tbody>
</table>

Reserve and Auxiliary Forces

63. The strength of the reserve and auxiliary forces, including part-time national servicemen, decreased slightly during 1955 from about 647,000 on 1st January, 1955, to about 647,000 on 1st January, 1956. The number of normal volunteers also decreased from 117,000 to . The total number of National Service reservists remained steady throughout the year at about 530,000 men. Table 2 of Annex 1 compares the strength of the volunteer reserve and auxiliary forces at 1st January, 1955, and 1st January, 1956.

64. There has been a disturbing drop in the number of national servicemen who have offered themselves as volunteers in the reserve and auxiliary forces. The role of many of the reserve and auxiliary forces will be changed but it will not diminish in importance. And, as in the past, the efficiency and spirit of those forces will depend on the volunteer. It is our belief that, once the continued importance of the reserve and auxiliary forces has been realised and it is seen that their new role is no less critical to survival than that
which they have played in the past, the present trend will alter and larger numbers of volunteers will come forward to make their unique contribution to the strength and preparedness of the military forces of the United Kingdom.

**Future of the National Service Scheme**

65. In the Autumn of 1955, the Government reviewed the National Service scheme in the light of the reductions in the armed forces on which it had decided. The results of this review were announced in October, 1955, in the White Paper on National Service (Cmd. 9608) and subsequently approved by the House of Commons on November 2nd, 1955.

66. Although it has been decided that the efficiency of the Services demands that the period of whole-time national service remains at two years throughout 1956–57 it is proposed to restrict the intake of national servicemen during the year in the manner described in the White Paper. The burden of part-time national service will be lightened in 1956–57 as a result of the decision, also announced in the White Paper, that, with a certain limited number of exceptions, national service reservists shall not be required in future to carry out more than twenty days of their sixty days’ liability for part-time training.

**Colonial Forces**

67. Seven battalions of the Malay Regiment, one battalion of the Federation Regiment, a battalion from Central Africa and a battalion of the Fiji Regiment, as well as the Royal Malayan Navy and the R.A.F. Regiment (Malaya) are still actively engaged against the terrorists in Malaya. In East Africa there are seven battalions of The King’s African Rifles. Of these, five are in Kenya, one is in Uganda, and the seventh provides the garrisons of Tanganyika and Mauritius. The Kenya Regiment and the East African Independent Reconnaissance Squadron continue to serve in Kenya.

68. The present strength of the armed forces raised by the Colonial territories is about 42,000. In addition, in certain Colonial territories local personnel are enlisted in the United Kingdom forces. These now number about 16,000. 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 4,000.

**V.—RESEARCH AND DEVELOPMENT**

69. An increase has been made in the financial provision for research and development in 1956–57 to accommodate the new weapons of greater complexity and higher quality which, as has already been said, must be developed if our forces are to be adequately equipped in the future. Although development of some of the more conventional weapons has been cut out or reduced, these weapons will continue to be used in many circumstances, and some research and development work must still continue on them. At the same time, a number of new and technically very complex projects, particularly those associated with the deterrent, will be making increasingly heavy demands on our resources. The whole programme is being kept under review, with the dual aims of maintaining the right balance between the newer and the older kinds of development projects, and of ensuring that the effort which we can afford to devote to defence research and development is deployed to the
best advantage. Within the programme as a whole the effort on research as distinct from development must be maintained. There can be little diminution in specific research aimed at solving our immediate problems, while the necessity for longer term research increases as techniques become more complicated. It is on the success of research that the future effectiveness of our forces will primarily depend.

70. Work on the development of a variety of nuclear weapons continues to expand. The progress made is such that two further series of tests are to be held in 1956; the first will be in the Monte Bello Islands in the spring and the second will be later in the year, at Maralinga, in South Australia. The latter series of tests will be the first to take place at the site which, with the co-operation of the Australian Government, is being developed as a weapons proving ground.

71. Particular emphasis is being placed on the development of the ballistic rocket as a deterrent to aggression.

72. Progress continues to be made in the development of guided missiles for each of the Services. The number of trial firings in this country and at the Weapon Research Establishment, Woomera, is increasingly steadily and the results show that satisfactory solutions have been found to many of the complex technical problems which arise in the development of weapons of this kind. Some encouraging successes have been achieved in trial firings of both air-to-air and surface-to-air weapons. An increasingly valuable contribution is being made by Australia at Woomera.

73. Service personnel are participating in trials on an increasing scale. The experience so gained will be a great advantage at a later stage when the weapons are introduced into the Services.

74. The dominant factors in the field of aircraft development are the enormous and continuously increasing technical, industrial and financial effort demanded by each new project, and the need to ensure that our resources are not overstrained.

75. The V-bombers are fundamental to our deterrent strategy. The Valiant is now in service with the R.A.F. while the Vulcan and Victor have reached an advanced stage of development. The development is also in hand of later versions of the Vulcan and Victor incorporating more powerful engines which will give increased range and height.

76. In the fighter field, the first mark of Javelin has been cleared for delivery to the R.A.F. and development work on later marks continues. Development of the English Electric P. 1 is proceeding satisfactorily.

77. Increasing effort is being devoted to the solution of the problems of flight at high supersonic speeds, including the problems of take-off from and landing on existing airfields and aircraft carriers. Various methods of achieving vertical or near vertical take-off and landing are being explored.

78. In the naval field, the first prototype of the new day fighter/strike aircraft, the N. 113, has flown successfully and is at present undergoing further trials. The N. 113 will be followed into service by an all-weather fighter, the D.H. 110, and by a strike aircraft of advanced design. The Navy is pressing forward with the use of helicopters in the anti-submarine role.
79. Two experimental high-speed submarines should be completed next year. Considerable advances have been made in increasing the range of underwater detection equipment and in associated weapons. The guided weapons trial ship should begin work next summer, and the plans for the first operational ship to use guided weapons as its main armament are going well.

80. In the field of Army weapons and equipment great importance is attached to increasing the strategic and tactical mobility of the Army. Weapons of greater mobility, range and fire-power are needed which must at the same time be simple to use and to maintain in the field. Continued attention is also being paid to developing air transport, to improving methods for the rapid construction and repair of airfields and to developing vehicles with improved cross-country performance. New materials are constantly being produced by industry and research and development into their use in weapons, equipment and clothing for military purposes is being intensified.

81. Close co-operation with the United States of America has continued with mutual benefit, particularly on guided weapons. There is also an intimate co-operation within the Commonwealth, maintained by a number of organisational links with individual countries, by the Commonwealth Advisory Aeronautical Research Council and by the Commonwealth Advisory Committee on Defence Science which is at present meeting in Canada. As was recently announced by the Minister of Defence to the North Atlantic Council, the United Kingdom has offered to assist her allies in the development of guided missiles.

82. To sum up, an adequate research and development programme is essential for the fighting efficiency of our Services. The smaller the size of our forces the more important it is that they should be equipped with the best modern equipment. The balance between research and development expenditure and expenditure on the armed forces in general is a very delicate one, and with the rapid advance of science and technology our investment in research and development is bound to be heavy if our forces are to remain equipped with modern weapons.

VI.—PRODUCTION

83. A year ago, in view of under-spending in earlier years, increased allowance was made for the effects of development difficulties with new equipments. As a result, it is expected that in the current year the Admiralty production expenditure will be nearly as estimated, and that under-spending by the War Office will be small. Unfortunately, there will be heavy under-spending on the production programme for the Air Ministry. This arises from two main causes: shortfalls in delivery, and alterations in the production programme after the Estimates were published. Under the first head there has been some loss of production due to strikes and the development of new types of aircraft and other equipment has continued to be beset by difficulties; the technical problems involved are often highly intractable and the time required for their solution cannot be forecast in advance. Under the second head, as has already been announced in Parliament, orders for some marks
of Swift were cancelled, and the production programme for the Javelin was rephased in order to provide a better balance between the earlier and later marks.

84. The provision made for the aircraft and equipment production programme for 1956–57 has been rigorously examined in the light of the experience of the last two years. It also reflects the progressive reshaping of the Royal Air Force under the long-term review and allowance has been made for small reductions in the total orders for certain aircraft. The main types affected are Valiants, Hunters, Seamews, and a few Shackletons.

85. The current Naval programmes of new construction to current design, and of modernisation have improved the quality of the active and reserve fleets this year, and will continue the process next year. Greatly improved equipment for the detection of hostile aircraft and the control of fighters is emerging from development to production, and will shortly be fitted in new ships and as a part of the modernisation programme.

86. The Army programme is being adapted to meet the needs of nuclear warfare. The aim is to provide equipment that will improve mobility, flexibility and fire power. Apart from Corporal and the helicopter trials already mentioned, trials will be held this year of a new armoured car, the Saladin, and of very high frequency wireless sets for use in units.

87. On the Air programme, as a result of last year's underspending, expenditure is expected to be greater in 1956–57 than in 1955–56. The main emphasis will continue to be placed on the production of aircraft and equipment for the V Bomber and the all-weather fighter forces. As already stated, the first air-to-air guided missile will come off production this year.

88. The super-priority scheme, which was originally introduced in March, 1952, is being discontinued. Its use was of value during the rearmament programme but it is no longer appropriate to the conditions of to-day when our problems are mainly ones of development. In so far as critical difficulties may arise from time to time affecting the production of particularly important equipments, special action will be taken in consultation with the industries concerned.

Offshore Procurement

89. The value of the new contracts placed in the United Kingdom in 1955 by the United States under the Offshore Procurement Programme amounted to $33 million, bring the total value of these contracts up to $683 million. The contracts were for the supply of Centurion tanks, guns, vehicles and miscellaneous items of equipment.

Military Aid from the United States and Canada

90. Further deliveries of equipment have been received under the United States Mutual Security Act, and we have continued to receive assistance from the United States for the expansion of our ammunition production capacity.

91. We have also continued to receive supplies of ammunition, propellants and explosives under the Canadian Mutual Aid Programme.
VII.—COMMONWEALTH AND INTERNATIONAL CO-OPERATION

92. During the past year the normal close co-operation between the United Kingdom and the other Commonwealth countries has been consolidated by discussion and formal agreement on specific aspects of defence planning.

93. The United Kingdom Government have reached agreement with the Government of the Union of South Africa on a number of defence matters which are described in Cmd. 9520. In particular, plans for the naval defence of the sea routes round Southern Africa have been discussed and arrangements agreed for command and joint planning in this field. In these discussions it was recognised by both Governments that the defence of Southern Africa lies not only in Africa but also in the gateways of Africa, namely the Middle East, and the various problems that arise out of the defence of this area were considered. The agreement also contemplated joint sponsorship by the United Kingdom and South Africa of an international conference to continue the study, already begun at the Nairobi Conference in 1951, of the lines of communication in Africa.

94. In the Far East the Governments of the United Kingdom, Australia and New Zealand have agreed to set up, and have contributed forces to, a Commonwealth Strategic Reserve, containing naval, air and army elements, to be stationed in Malaya and Singapore for the defence of that area against aggression. Arrangements for the command of this Reserve and for joint planning have also been agreed and machinery established for this purpose.

95. Commonwealth land forces in Korea will have been reduced by the Spring of this year to an infantry battalion plus ancillary units, and Commonwealth responsibility for co-ordination in the Korean theatre will be transferred to the United Kingdom. (Only to be inserted if these arrangements can be revealed by the date of publication.)

96. The forthcoming Prime Ministers' Conference will provide once again the opportunity for an exchange of views on all matters of common interest.

North Atlantic Treaty Organisation

97. At the meeting of the North Atlantic Council in December, 1955, N.A.T.O. Defence Planning as a whole was reviewed in the light of the continued Soviet threat to Western security. It was recognised that the most urgent requirements for Western Defence at present are the early creation of a co-ordinated air defence system in Western Europe and an adjustment of the defence effort of the Alliance as a whole to achieve the most effective pattern of forces in the new strategic situation which the advent of the hydrogen bomb has created. To this end, a series of discussions on specific defence problems will take place between the military and civil authorities of N.A.T.O. during the coming months. These will assist the member countries to recast their defence programmes to meet the needs of a thermo-nuclear war. The United Kingdom Government particularly welcome the important contribution made by another Commonwealth country, Canada, to all these activities.

98. The Civil Emergency Planning side of the North Atlantic Council's work has been reorganised and strengthened by the creation of a new high
level Committee to assist the Council in formulating general civil defence policy and in co-ordinating national action in this field.

99. Following the Paris Agreements of October, 1954, the past year has seen the entry of Germany into the North Atlantic community. The build-up of the German armed forces to the agreed levels began on the 1st January, 1956, and is expected to extend over a period of three or four years.

**Western European Union**

100. The Council of Western European Union is taking steps to ensure that the undertakings laid down in the Paris Agreements are being observed. To this end, the Arms Control Agency has been established and has begun to exercise its control functions from the beginning of this year.

101. The Standing Armaments Committee of W.E.U. has made a good beginning with its work. Its purpose is to improve consultation and co-operation in the armaments field and to help member nations to meet their equipment requirements efficiently and economically. To this end, the Committee will arrange for studies to be made of the development, standardisation, production and procurement of individual items of equipment and armament.

**S.E.A.T.O.**

102. In March 1956, the Ministerial Council of the South-East Asia Treaty Organisation will meet in Karachi to review the work of the Organisation since the signature of the Treaty in September, 1954, in increasing the defensive preparedness of the Treaty area, and co-operation on political and economic matters. The Council will have before it reports on the present military strength of the area and will consider strategic planning for its defence against aggression. It is the policy of Her Majesty’s Government to co-operate fully in the development of an effective organisation for the defence of South-East Asia against direct attack or political subversion, and the active part which the United Kingdom has played in the work of the organisation will be continued in the Ministerial discussions and the future programme.

**The Bagdad Pact**

103. The decision of the Governments of Pakistan and Iran to join the Bagdad Pact in the Autumn of 1955 made it possible to set up machinery to extend and improve the scope of present plans for the defence of the Middle East against aggression. As a result, very satisfactory progress was made at the meetings of the Military Committee and Ministerial Council in November. A permanent organisation to maintain and develop continuity in defence planning and to prepare the ground for future Council meetings is in process of being established.

**VIII.—HOME DEFENCE**

104. In the Statement on Defence, 1955, an account was given of the lines on which home defence preparations would be pursued. The appreciation then given of the likely effects of a thermo-nuclear attack remains broadly valid, and good progress has been made with the overhaul of plans there referred to. Decisions on some of the matters dealt with are recorded in this statement: others will be announced as the review proceeds.
105. The reshaping of home defence plans has to have special regard to the revolutionary implications of the threat of persistent contamination from radioactive fall-out over very wide areas. Sufficient is already known, from information made public by the United States Atomic Energy Commission in February, 1955, and from other information available to the Government, to establish the nature and extent of this threat; in contaminated areas severe restrictions for some days on movement out of doors would be called for. For purposes of survival under such conditions the household becomes the basic unit. So general and widespread a danger will need to be met primarily by each household acting on guidance and instructions from the central and local authorities both before the event and after. Measures to inform the public of the nature of the danger and of the measures they can take to counter it in their own homes will accordingly occupy a place in the forefront of the Government’s plans for home defence.

106. To give full protection to everyone from sickness or death from the hazard of radioactivity alone would involve physical preparations on a vast scale and to make such preparations against all the hazards of a thermo-nuclear attack on this country would place a crippling burden on the national resources. Whatever the preparations made, an attack on this country would involve loss of life and destruction on an unparalleled scale. Unduly heavy expenditure now on purely defensive measures, by weakening our economic strength and reducing the resources available for building up the strength of the deterrent, might very well work against the primary objective of ensuring that global war itself is prevented.

107. Nevertheless, within the proportion of our resources that can be made available for home defence, the Government’s aim will be to take the precautions without which, should the worst happen, ordered society could not survive. The emphasis will be on plans and preparations to establish a system of warning and monitoring of radioactive fall-out and an adequate scheme of control, through the organs of central and local government, and to ensure the availability of the necessary communications; to build up local and national services, trained and equipped to deal with casualties and to mitigate the other effects of thermo-nuclear attack; to revise evacuation plans; to secure the continued functioning of essential public services; and to inform the public fully, both as to the dangers involved and the steps that can be taken to meet them.

Research and Development

108. One task of the first importance is to continue and expand research into the problems of nuclear warfare, and into the most effective and practical methods of dealing with them. Many factors of fundamental importance remain obscure; and the danger of misdirected effort is considerable. Research, both basic and applied, will accordingly be pressed forward to the limit of resources available.

Civil Defence Services

109. The training of members of the Civil Defence Corps and the Industrial Civil Defence Service has continued under revised syllabuses with an increased emphasis on practical methods, and local authorities have
steadily been providing more and better premises for the training of volunteers, including special training grounds for the Rescue Section of the Corps.

110. The measures set out in last year's Statement on Defence for preparing the armed forces to meet their increased responsibilities for home defence are gathering momentum; it is proposed that the wartime headquarters of the civil Regions and the corresponding military districts should be in the same locality. But the need for strong and efficient local civil defence services remains as great as ever. Among the new features of civil defence control will be the use of mobile headquarters and wireless communications on a wider scale than hitherto. The need for closer liaison between the armed forces and the civilian forces of civil defence is fully recognised. Partly to meet this need, and partly because of the increasing burden as other plans develop, the Government made appointments in September, 1955, to new senior posts of Regional Director of Civil Defence in each of the Regions in England, and a post of Director of Civil Defence for Wales. In Scotland, these requirements are met by the Secretary of State's Department in Edinburgh.

The Role of the Armed Forces in Home Defence

111. All armed forces, whether regular or reserve, in the country at the outbreak of war will have to be prepared to assist in the struggle for survival. The new concept of reserve forces has been described in paragraph 12. The armed forces are in no sense a substitute for the civil administration; the aim will be to support the civil authorities by all possible means. The newly-appointed whole-time Commander-in-Chief, United Kingdom Land Forces, will have as one of his main functions the development of the military side of the necessary joint training and planning.

112. One particularly important contribution that the armed forces can make is in air reconnaissance and emergency air transport; and it has been decided that in the event of global war, considerable resources from Flying Training Command and Home Command should be made available for these purposes.

The Mobile Defence Corps

113. The formation has begun of the first 25 reserve battalions of the Mobile Defence Corps which a year ago it was decided to raise, train and equip for fire fighting, rescue and ambulance duties. The response to the plan for the enrolment of volunteers to provide the officers and N.C.O.'s of these units has been encouraging. The flow of national servicemen to battalions has started, and the strength of units will build up to a maximum in 3½ years' time.

114. One month's special training in rescue and ambulance duties is being given to selected national servicemen towards the end of their whole-time service and one 15-day camp during part-time service. Special training centres are being opened in various parts of the country. In the light of experience since the inception of the scheme, and especially in view of the success of the scheme for training reservists as fire fighters described below and the difficulties of giving Army and R.A.F. officers sufficient training and practical
experience in fire fighting, it has been decided not to proceed with the raising of Mobile Defence Corps battalions for fire fighting; in consequence the planned strength of the Mobile Defence Corps will be reduced from 48 battalions to 36, sustained by an annual intake of 7,500 men from the Army. This will not result in a reduction of the total number of Service reservists being trained for civil defence work; the reduction in the numbers for the Mobile Defence Corps will be more than offset by increasing the number of reservists made available by the Services for training in fire fighting by the Home Office from 10,000 to 15,000 a year. The Army will provide 2,500 men a year and the number of R.A.F. Class H reservists will be increased to 12,500.

Training of Reservists in Fire Fighting

115. The first Home Office depot for training in fire fighting duties, staffed by officers seconded from local authority fire brigades, opened in July at Chorley in Lancashire; by the end of 1955 4,000 reservists had received their first period of two weeks’ instruction in fire fighting. As was announced in the White Paper on National Service (Cmd. 9608), the reduction in the liability of national servicemen for part-time training required special arrangements to be made to ensure that reservists allotted to fire fighting duties carried out two periods of training; as from 1st January, 1956, the first period of 15 days’ instruction in fire fighting is being given to these men during their period of active service. A second training depot, also staffed by fire service instructors, will be opened by the Home Office in the summer at Moreton-in-the-Marsh, Gloucestershire, at which 15 days’ more advanced instruction will be given to men who have completed their preliminary training in fire fighting duties. As a result of the decision to increase the numbers trained under this scheme from 10,000 to 15,000 a year, referred to in paragraph , a third training depot will be required, and it is hoped to provide this early next year.

Other Emergency Fire Preparations

116. In war the bulk of the fire fighting resources of the country would be organised in mobile columns which would be stationed outside the main built up areas. Special types of equipment have been developed to enable these mobile formations to operate successfully. Selected firemen from brigades throughout the country have attended the newly established Fire Service Tactical Training Centre at Reigate for the purpose of determining by experiment how the new types of equipment can be used to best advantage in operations and of providing material for the preparation of new operational and training instructions for the Fire Service.

Evacuation

117. The problem of devising measures of evacuation on a scale appropriate to the risks of thermo-nuclear attack has been engaging the Government’s closest consideration. They recognise that new plans are required and that these must be bold in scope but simple in principle and execution. Many more people than in the last war will have to be enabled, if they wish, to leave much wider areas. The increased demand thus created for transport and accommodation has to be reconciled with the facilities available. Fall-out would be specially hazardous for people caught in the
open without accommodation to go to, and this fact underlines the importance
of an orderly plan.

118. The Government have reached provisional conclusions on
re-classifying the country into evacuation, neutral and reception areas, and
extending the definition of the “priority classes”; and on certain further
evacuation measures. Before making any public announcement, the
Government intend to discuss their proposals, on a confidential basis, with
representatives of the local authorities and with both sides of industry.

Warning and Monitoring of Fall-out

119. The Government regard the establishment of effective systems for
monitoring radio-active fall-out and providing public warning as one of the
first requirements in home defence and are making the necessary arrangements.
The Air Raid Warning Organisation now have the additional responsibility
of giving public warning of fall-out, and the Royal Observer Corps have been
given the duty of monitoring fall-out so as to provide the Warning
Organisation with the necessary data. A full-scale trial of reporting
procedures has already been held, and further trials will take place in the
spring. Arrangements are also being made for the regular observation of
the upper winds at great heights, knowledge of which is needed to forecast
the direction and intensity of fall-out.

Communications

122. The Post Office have made considerable progress in the construction
of a cable and ultra high-frequency radio network outside the main towns,
designed to ensure the maintenance of vital communications in the event of a
nuclear attack.

Shelter

123. A good deal is now known about the ways in which some measure
of protection could be obtained against the effect of nuclear weapons. Full
protection within a few miles of the ground burst of a megaton weapon is
impracticable. Outside this range protection against blast and heat could be
obtained from shelters similar to those used in the last war. The danger of
fall-out however necessitates shelters which can be occupied for periods of
48 hours or more. An ordinary brick dwelling house with 9-inch walls used
to the best advantage reduces gamma radiation by a factor of about 20 times.
A useful degree of protection could be obtained by greatly thickening the
existing walls and ceilings or roofs of houses. To give a high degree of
immunity, the ideal would be a shelter below the surface of the ground,
preferably inside the house. But to provide this degree of protection on a
country-wide scale would result in an unsustainable burden on our economy,
and the Government have reached the conclusion that considerations of finance
and resources preclude a programme for the construction of domestic shelters
at public expense.

124. Many houses and other buildings may, however, contain
accommodation which could without much difficulty be adapted for use as
shelter in an emergency, and the Government propose to initiate surveys to
determine how much shelter could be provided in this way, and what the cost
in money and materials would be. Pilot surveys, from which much useful
information is expected, have already been undertaken at the request of the Government by selected local authorities. Civil defence manuals will contain advice to householders on the best means of protecting themselves in their own homes.

Casualties and the Homeless

125. The casualties resulting from a nuclear attack on this country would be likely to surpass in numbers anything with which the ordinary hospital services, however expanded and diluted, could expect to deal. The planning of measures to meet such a situation demands a new approach to the problem of the hospital services in war and a new emphasis on self-help in the form of treatment in the home. As regards the homeless the pre-attack movement of population due to evacuation will give rise to extensive problems of welfare for those who have left their homes; after the attack the extent of movement is much less certain, and it may be that the initial immobility imposed over wide areas by fall-out will severely limit movement away from damaged areas and the operation of the relief services. Subsequently there may have to be large-scale movements of people from undamaged homes in areas where persistent high levels of residual radioactivity would make continued living hazardous for a period of, possibly, some months. The problems of organising and controlling any such movement and of caring for the people involved are being closely examined by the Departments concerned.

Public Utilities and Industry

126. Water supplies, transport, sewerage services, electricity, gas and telephone communications and essential industry will all have a vital part to play, not only immediately after the attack and during the subsequent period when large areas of the country would be contaminated by fall-out, but also for ultimate recovery. Earlier plans addressed primarily to the restoration of these services after physical damage provide only a partial answer to the problems of operation under fall-out conditions. Further study by the experts of the various services is being carried out by the responsible Departments.

Emergency Ports

127. Emergency facilities have been provided to replace those in the existing major ports, which are likely targets for attack. Engineering and other works have been carried out in minor ports and elsewhere, and a reserve of mobile cranes and floating grain elevators has been built up. Work on the emergency ports scheme continues.

Stockpiling

128. An appreciable strategic reserve of food in the form of bulk stocks already exists. The turnover of such stocks is necessarily expensive and in present circumstances it is not proposed to make large additions to them.

129. Further progress has been made in the arrangements for importing and distributing oil supplies in time of war and for acquiring a strategic reserve of oil. In the coming year, work will continue on improving installations such as strategic pipelines and emergency importing facilities.
130. Stocks of medical supplies and equipment will be required for the treatment of casualties after a thermo-nuclear attack and further purchases are being made for the necessary stockpile.

131. The heavy cost of turning over stocks has led the Government to decide on some reduction during 1956 in the strategic holdings of industrial raw materials. These holdings are large and they can be run down to some extent without undue risk.

**Equipment**

132. In the coming year, production of necessary supplies for training and of certain types of operational equipment for the civil defence and fire-fighting services will be continued. Special emphasis is being placed on the provision of radiax instruments, which are vital for detecting and measuring radioactivity, on the vehicles and signal equipment needed for control, and also on continuing the build-up reserves of fire-fighting appliances. The Government have decided to discontinue further production of civilian respirators. Having regard to the difficulties of mounting a successful gas attack, it appears improbable that even the most deadly nerve gases would be used against urban areas by an enemy who had nuclear weapons and the means to deliver them available to him. Existing stocks of civilian respirators of both the new and last-war patterns are considerable and will be maintained, but further expenditure on production of civilian respirators cannot be justified.

**Finance**

133. In the financial year 1956–57, £45 million will be provided for defence expenditure by Civil Departments (including loan expenditure by the Post Office). An analysis is given in Annex III. This total compares with Estimates amounting to £69.66 million in 1955–56 and with estimated expenditure for the year of approximately £50 million (excluding the £4.8 million provided for the transfer of certain trading stocks to the strategic stockpile, as shown in Annex III of the Statement on Defence, 1955). The difference is primarily accounted for by lower expenditure on stockpiling, and the provision for 1956–57 is applied chiefly to measures for improving the efficiency of the Home Defence organisation. Expenditure by the Service Departments on the Mobile Defence Corps and personnel for fire fighting will be increased.

**Home Defence—Conclusion**

134. Much progress has been made in the field of home defence in reshaping our plans to take account of the implications of nuclear weapons in the megaton range. This must be a continuing process. It is necessary, however, to accept that there are definite limitations to what we can attempt in home defence. These are set first by the decision to place the main emphasis on our contribution to the deterrent forces of the N.A.T.O. Powers, and secondly from the appreciation that the probability of resort to the ultimate sanction of global war has been lessened rather than increased by the emergence of thermo-nuclear weapons.
Table 1.—Analysis of Active Strengths

<table>
<thead>
<tr>
<th></th>
<th>1st April, 1955 (actual)</th>
<th>1st April, 1956 (estimate)</th>
<th>1st April, 1957 (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>114.2</td>
<td>223.8</td>
<td>180.1</td>
</tr>
<tr>
<td>National Service</td>
<td>9.5</td>
<td>205.2</td>
<td>70.2</td>
</tr>
<tr>
<td>Women</td>
<td>4.7</td>
<td>8.0</td>
<td>7.9</td>
</tr>
<tr>
<td>Total</td>
<td>128.4</td>
<td>437.0</td>
<td>258.2</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, 1955</th>
<th>Strength at 1st January, 1956</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Normal Volunteers</td>
<td>Volunteers from N.S.</td>
</tr>
<tr>
<td><strong>Royal Navy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal Naval Reserve...</td>
<td>4,198</td>
<td>-</td>
</tr>
<tr>
<td>Royal Naval Volunteer Reserve</td>
<td>8,910</td>
<td>1,674</td>
</tr>
<tr>
<td>Royal Marine Forces Volunteer Reserve</td>
<td>1,046</td>
<td>347</td>
</tr>
<tr>
<td>Royal Naval Special Reserve</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Women's Royal Naval Volunteer Reserve</td>
<td>1,344</td>
<td>-</td>
</tr>
<tr>
<td><strong>Army</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Territorial Army</td>
<td>65,101</td>
<td>54,900</td>
</tr>
<tr>
<td>Women's Royal Army Corps (T.A.)</td>
<td>8,567</td>
<td>-</td>
</tr>
<tr>
<td>Queen Alexandra's Royal Army Nursing Corps (T.A.)</td>
<td>197</td>
<td>-</td>
</tr>
<tr>
<td>Army Emergency Reserve</td>
<td>11,243</td>
<td>4,538</td>
</tr>
<tr>
<td>Women's Royal Army Corps (A.E.R.)</td>
<td>37</td>
<td>-</td>
</tr>
<tr>
<td>Queen Alexandra's Royal Army Nursing Corps (A.E.R.)</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td><strong>Royal Air Force</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal Auxiliary Air Force</td>
<td>5,631</td>
<td>774</td>
</tr>
<tr>
<td>Women's Royal Auxiliary Air Force</td>
<td>2,036</td>
<td>-</td>
</tr>
<tr>
<td>Royal Air Force Volunteer Reserve</td>
<td>8,722</td>
<td>2,181</td>
</tr>
<tr>
<td>Women's Royal Air Force Volunteer Reserve</td>
<td>388</td>
<td>-</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>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>117,445</td>
<td>64,414</td>
</tr>
</tbody>
</table>
# ANNEX II

## Division of the Defence Budget under the Principal Headings

<table>
<thead>
<tr>
<th>1</th>
<th>2 Admimtry</th>
<th>3 War Office</th>
<th>4 Ministry of Air</th>
<th>5 Ministry of Supply</th>
<th>6 Ministry of Defence</th>
<th>7 Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pay, &amp;c., of Service Personnel</td>
<td>68.17</td>
<td>1.39</td>
<td>66.78</td>
<td>155.17</td>
<td>54.79</td>
<td>100.38</td>
</tr>
<tr>
<td>2. Pay, &amp;c., of Reserve, Territorial and Auxiliary Forces and grants for administration, &amp;c.</td>
<td>2.24</td>
<td>...</td>
<td>2.24</td>
<td>...</td>
<td>13.97</td>
<td>0.30</td>
</tr>
<tr>
<td>3. Pay, &amp;c., of Civilians</td>
<td>48.41</td>
<td>0.59</td>
<td>47.82</td>
<td>96.66</td>
<td>1.72</td>
<td>94.94</td>
</tr>
<tr>
<td>4. Movements</td>
<td>9.25</td>
<td>0.16</td>
<td>9.09</td>
<td>34.77</td>
<td>1.52</td>
<td>33.25</td>
</tr>
<tr>
<td>5. Supplies</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>(a) Petrol, oil and lubricants</td>
<td>17.54</td>
<td>5.15</td>
<td>12.39</td>
<td>10.26</td>
<td>2.69</td>
<td>7.57</td>
</tr>
<tr>
<td>(b) Food and ration allowance</td>
<td>10.96</td>
<td>1.98</td>
<td>8.98</td>
<td>41.86</td>
<td>8.48</td>
<td>33.38</td>
</tr>
<tr>
<td>(c) Fuel and light</td>
<td>0.73</td>
<td>0.02</td>
<td>0.71</td>
<td>2.56</td>
<td>0.17</td>
<td>2.39</td>
</tr>
<tr>
<td>(d) Miscellaneous</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>6. Production and Research</td>
<td>184.81</td>
<td>53.18</td>
<td>150.98</td>
<td>283.00</td>
<td>41.50</td>
<td>242.50</td>
</tr>
<tr>
<td>7. Works</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>(a) Works</td>
<td>24.12</td>
<td>7.68</td>
<td>22.27</td>
<td>38.22</td>
<td>7.16</td>
<td>31.06</td>
</tr>
<tr>
<td>(b) Rents</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>(c) Loan quarters</td>
<td>2.50</td>
<td>2.50</td>
<td>...</td>
<td>1.25</td>
<td>1.25</td>
<td>...</td>
</tr>
<tr>
<td>(d) Repayment of sums issued under the Armed Forces (Housing Loans) Acts, 1949 and 1953</td>
<td>0.18</td>
<td>...</td>
<td>0.18</td>
<td>...</td>
<td>0.50</td>
<td>...</td>
</tr>
<tr>
<td>8. Miscellaneous effective services</td>
<td>7.39</td>
<td>2.09</td>
<td>5.30</td>
<td>15.46</td>
<td>2.20</td>
<td>13.26</td>
</tr>
<tr>
<td>9. Non-effective charges</td>
<td>19.53</td>
<td>0.27</td>
<td>19.26</td>
<td>28.21</td>
<td>0.25</td>
<td>21.96</td>
</tr>
<tr>
<td>10. Totals before appropriation-in-aid of American aid receipts</td>
<td>401.67</td>
<td>50.67</td>
<td>351.00</td>
<td>580.00</td>
<td>101.00</td>
<td>479.00</td>
</tr>
<tr>
<td>11. Totals providing for the appropriation-in-aid of American aid receipts</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

Note: The expenditure by the Ministry of Labour and National Service in administration of the National Service Acts estimated at £1.48 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 £405.66 million.

† Includes the cost of development work undertaken by industry under contract, and the purchase of stores and equipment for research and development establishments.
### ANNEX III

#### DEFENCE EXPENDITURE BY CIVIL DEPARTMENTS (NET)

<table>
<thead>
<tr>
<th>Department</th>
<th>Item</th>
<th>Class and Vote</th>
<th>1956–57 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>11.14</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15</td>
<td></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>2.22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>11</td>
<td></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>0.68</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Ministry of Agriculture, Fisheries and Food</td>
<td>Grants to local authorities; production of equipment and materials, &amp;c.; maintenance and turnover of food stocks; purchase of additional stocks</td>
<td>Class VIII, 3</td>
<td>9.16</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4</td>
<td></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>0.37</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Class I, 24</td>
<td></td>
</tr>
<tr>
<td>Ministry of Fuel and Power</td>
<td>Oil storage and distribution</td>
<td>Class IX, 6</td>
<td>7.00</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>1.30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Ministry of Works</td>
<td>Storage and accommodation</td>
<td>Class VII, 3</td>
<td>1.19</td>
</tr>
<tr>
<td>Board of Trade</td>
<td>Maintenance and turnover of stocks of materials</td>
<td>Class VI, 3</td>
<td>4.34</td>
</tr>
<tr>
<td>Post Office</td>
<td>Communications ... ...</td>
<td>Met by loan</td>
<td>7.00</td>
</tr>
<tr>
<td>Other Departments</td>
<td>Various ... ...</td>
<td>0.32</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

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CABINET

EVACUATION POLICY

Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs

In the last war, a scheme was prepared to evacuate priority classes from certain limited areas declared to be evacuation areas. Some four million persons were covered by the proposals; and in the upshot about 1½ millions were evacuated.

2. In 1950 a revised scheme was published extending the priority classes to some 30 per cent of the population of the evacuation areas as then defined. It is clear that this scheme would not be adequate for a war in which hydrogen bombs were used, and on a number of occasions during the last two years the Government have said that they have been giving close consideration to the problem, since a decision on the extent of evacuation from our cities is basic to all home defence planning.

3. In an island of this size, there is no completely satisfactory solution of the problems caused by the enormous damage, from blast, heat and widespread fall-out, and any scheme is open to serious objections. The Ministerial Committee on Civil Defence have examined a number of proposals and are agreed that any scheme should satisfy the following conditions:

(a) it must be simple;
(b) it must be flexible, since the circumstances of the emergency cannot be accurately foreseen;
(c) it must be practicable, and must be so regarded by the community;
(d) it must not be so alarmist as to dishearten our Allies now, or to cause panic evacuation when war seems to be approaching;
(e) it must enable the economic life of the nation to be carried on as long as possible;

4. We think that any scheme must involve dividing the country into evacuation areas, neutral areas (which should surround all evacuation areas), and reception areas. A map is attached giving some indication of how the country might be divided up. (It is generally agreed that Swansea-Neath should be an evacuation area and not a neutral area as shown on the map.)
5. A case can be made out for basing evacuation policy on a detailed plan announced now for near-total evacuation of all our major cities and their suburbs. We reject this approach on both practical and psychological grounds. It would involve a movement of half the population during the preparatory stage. It could never be carried through to completion and would be seen to be impracticable; for this reason it would fail in its primary purpose of maintaining confidence and morale. More than this, it would have a positively demoralising effect on our own people and produce the worst impression on our Allies both now and in the event of war, for planning to be related to the total disruption of production. Our objections to such a scheme apply no less strongly to any variant of it, e.g. to distinguish between one evacuation area and another by restricting total evacuation to the largest centres of population only.

6. It is our unanimous view that the only defensible basis of approach is to limit detailed plans and planning to the much narrower objective of the evacuation of priority classes only - broadly speaking applying the time-honoured doctrine of "women and children first". For this purpose we should take a definition of the priority classes which would be wider than in the last war including, for example, all adolescents up to age 18 and, since the areas from which they would be drawn would be more extensive than in previous schemes, the total number involved might reach 11,8 millions - 47 per cent of the population of the areas concerned. For all these people - or such of them as on the day took advantage of the official scheme - detailed arrangements for transport, reception and billeting would be made. The movement itself would take some ten days to complete from the time the Government decided to put the scheme into operation.

7. Some members of the Ministerial Committee think that to make no provision beyond this would not satisfy the requirements of planning for a thermo-nuclear war, in particular it would provoke a demand for the provision of shelter for the adult population remaining in the evacuation areas. Their view is accordingly that there is no alternative but to prepare plans which would allow the Government of the day, so far as time permitted, facilities were available, and the situation demanded it, to put into operation a second phase of evacuation designed to enable further measures of evacuation to be carried out by stages. The second phase would not be planned in the same detail as the first. It would be a makeshift and imply no assurance of billets in houses in the reception areas. How far it could be carried out would remain to a great extent speculative. Part of it might well consist of schemes for the re-deployment of labour, such as the emergency ports scheme, though the numbers involved in such schemes would probably be marginal only.

8. The difficulty of indicating that the Government contemplate further measures of evacuation after the evacuation of the priority classes is that it would be taken as implying that the Government think the right policy is to evacuate as many as possible from the evacuation areas. Once this impression got abroad, it would be difficult to persuade people in the evacuation areas to stay put until the Government made facilities available and there is more than a likelihood of a "sauve qui peut" stampede which would bring the economic life of the nation to a standstill. Nor can the effect on the morale of our nation and Allies be overlooked. And finally there is a danger that we should discourage the civil defence volunteers in the areas scheduled for evacuation that they would lose heart and might refuse to play any further part; it might indeed lead immediately to the disintegration of the Civil Defence organisation.
9. The Ministerial Committee have approved the opening of discussions with local authorities, and these will be initiated after the Defence debate in March. We are not agreed, however, on the desirability of disclosing at this stage the extent to which we have it in mind to make plans for evacuating more than the priority classes. The issue resolves itself into whether to include in the forthcoming Statement on Defence the sentence in brackets in paragraph 2(ii) of C. P. (56) 30.

10. This is a matter of much wider significance than the need to get on with the preparation of an evacuation scheme, important though that is. Advice cannot be given to civil defence authorities, to industry or to the public about the precautionary measures they should take until it has been decided in broad terms whether national policy should be based on "stay put" in the industrial areas (after the priority classes have left), subject to any decision on further evacuation that might be made by the Government of the day, or on the near-total evacuation of these areas. My own view is that this broad question of policy should be considered by the Defence Committee before discussions with the local authorities are begun. If this is agreed, my colleagues may feel that the sentences in square brackets should be omitted from the Defence White Paper.

G. Ll-G.

Home Office, S. W. 1.

8th February, 1956.
Evacuation and Neutral Areas

Evacuation Areas
Neutral Areas

Ministry of Housing and Local Government
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CABINET

ECONOMIC SITUATION

Note by the Chancellor of the Exchequer

At the Cabinet meeting of 24th January, I was asked to submit early in February my firm proposals for dealing with the economic situation (C. M., (56) 7th Conclusions). In Appendix I to this note I have recorded briefly the progress which has been made with the various suggestions I put forward. The effect of the reductions proposed in investment expenditure is summarised in Appendix II. I would propose to make a full announcement about these measures at an early date. The most suitable date would be 15th February (Ash Wednesday), when the Vote on Account will be published and the totals of the Estimates made known. Appendix III contains a draft.

2. The situation has not improved in the last two weeks. There is little change in the labour situation; and the trade figures for January will show that the very disappointing trend in November and December has continued into January. The adverse balance will be about £75 millions. It is true that in January there was a small increase in the reserves, but we ought not to build too much on this. This is the time of the year when our balance of payments is normally most favourable. And we must remember that during 1955 we lost about a quarter of the reserves - £642 millions.

3. Short of carrying them to quite drastic and unreasonable lengths, the measures I propose are the most that I can suggest for immediate action without a dramatic departure from our present policies at home and abroad.

4. But we certainly cannot do less than these. Whether they will be enough I cannot say. We can only watch the position and see what more is necessary from time to time.

H.M.

Treasury Chambers, S.W.1.

3th February, 1956.
APPENDIX I

The Cabinet discussed my paper (C.P. (56) 17) on 24th January, and asked me to submit revised proposals. Here they are. They represent largely the results of discussion with the Ministers concerned. For convenience, I have set them out in the order in which they appeared in my earlier paper.

MONETARY MEASURES AND CREDIT POLICY

2. I have had several discussions with the Governor of the Bank and the commercial banks will press on with reducing the total of their advances. In this connection, I have under consideration proposals for enabling the Exchequer to lend the capital they require to those nationalised industries which at present have to make stock issues on the market. Such relief to the technical management of the market would be of assistance in our general monetary policy. I am about to consult the Ministers concerned.

3. Hire Purchase

The President of the Board of Trade is prepared to make a further Order to alter the present arrangements in three respects.

First, it would tighten the restrictions on the terms of payment for consumer goods. The President proposes to increase the percentage down payment for motor-cars, radios and television sets, from 33\(\frac{1}{3}\) per cent to 40 per cent, and for furniture, bicycles and cookers, from 15 per cent to 20 per cent; and, at the same time, to reduce the maximum period of repayment from two years to eighteen months. For my part, I would ask that the 33\(\frac{1}{3}\) per cent rate should be put up to 50 per cent, and that we should also make the reduction in the repayment period which the President proposes.

Secondly, power would be taken to control the hiring of certain of these consumer goods.

Thirdly, the control would be extended to a comprehensive range of capital goods. The minimum down payment for these goods should be 40 per cent or 50 per cent, whichever is decided for consumer goods.

4. Savings

Voluntary savings are very important in our present situation. Any policies designed to check inflation are the most effective encouragement we can give our people to increase their savings. I am looking at a number of other suggestions, and I hope that some of them will feature in the Budget.

INVESTMENT

5. British Transport Commission

I have discussed the investment programme of the Commission with the Minister of Transport. Originally the Commission had contemplated an increase in investment over the whole range of their activities of
between £40 and £50 millions as compared with estimated expenditure in 1955. We have agreed on a slowing down of commitments, involving a cut of £12 millions in the railways programme and £10 millions in other activities.

The effect will be that the increase in the total programme of the Commission will only be of the order of £20-£25 millions. It will still allow a beginning to be made with the railway modernisation plan.

6. National Coal Board

The Minister of Fuel and Power has arranged for the National Coal Board to reduce planned capital expenditure by £5 millions. This reduction will not affect output, though it will have some effect in slowing down the improvement of the screening and cleaning facilities once the coal has been won.

7. Central Electricity Authority

The Central Electricity Authority (which had previously reduced its original programme by some £7 millions) has now agreed to make a further cut of £10 millions on its programmes as submitted. This will affect both generation, where there is a slowing-down of starts, and distribution. In this connection there will have to be a slowing-down of rural electrification; nevertheless, the rural programme will not be abandoned.

8. Scottish Electricity Boards

The two Scottish Electricity Boards between them have agreed to reduce their submitted programmes by some £3½ millions.

9. Gas Boards

The Gas Boards (who had previously reduced their original programmes by some £5 millions) will now make a further cut of £5 millions on the programmes as submitted.

10. Air Corporations

The Air Corporations will reduce their investment programmes by £14 millions.

11. Atomic Energy

In the total saving of over £20 millions for Government current expenditure (paragraph 14 of my draft Parliamentary statement), I have included £4 millions for minor re-adjustments which the Atomic Energy Authority have agreed to make in their investment programme for 1956-57 without affecting that programme itself, the high priority of which will, of course, continue to be an essential part of Government policy. But I should add that I am at present discussing with the Minister of Defence the possibility of reductions in the programme which might yield further savings up to £5 millions in 1956-57. Any such reductions will be discussed with our colleagues in due course.
12. **Post Office**

The Postmaster-General will re-arrange his programme of telephone development in 1956-57 so as to restrict it to the amount actually being spent in 1955-56, instead of an increase of some £5 millions. There will also be delays in the starting of some new postal buildings which, although involving little immediate cash saving, will give some early relief to the pressure on the building industry.

13. **Development Areas**

The Cabinet decided that, subject to certain special cases, no new commitments for factory building should be entered into for the time being. The proposed provision in the Estimates for the building of new factories will be cut from £6 millions to £5 millions. The provision for financial assistance by the Treasury to enterprises in these Areas will be practically confined to existing commitments.

14. **Government Building**

We announced in October last the postponement of the projects on which it was possible to make large savings in 1956-57. Any further savings to be secured will be small and are covered by the figure of £20 millions in paragraph 14 of my draft Parliamentary statement.

15. **Home Defence**

The Home Secretary and the Minister of Defence have agreed to some further reduction in the expenditure planned for 1956-57. The Estimates will total £43½ millions as compared with £70 millions for 1955-56. This reduction has been achieved by concentrating on the manning and equipping of the Home Defence organisation and by refraining from making further large additions of food and oil to the substantial stocks already held.

16. **Miscellaneous Local Authority Expenditure**

The water and sewerage programmes of local authorities will be controlled so as to confine the expenditure in 1956-57 to the level of 1954-55. For the remaining miscellaneous local services, nearly all the Ministers concerned have agreed to give no further loan sanctions for a period of six months, except to enable projects in progress to be completed or to meet really exceptional circumstances. One or two minor points are outstanding. The Ministers will send circulars to the local authorities to explain the new arrangements for the services with which they are respectively concerned.

17. **New Towns**

Circumstances vary from case to case and it is not possible to lay down rules which will be applicable to them all. The Minister of Housing therefore proposes to write to the Chairmen of the New Town Corporations calling attention to my statement, making clear that new towns cannot be exempt from the need to defer the starting of new capital projects whenever possible, and asking them to say what action they can take to that end.
I have discussed the expenditure on education building with the Minister of Education.

There is already some delay in the 1955-56 programme which, in the absence of special action, would add to the pressure caused by the 1956-57 programme. To avoid this, and to secure some reduction in the total demand hitherto proposed for 1956-57, the Minister of Education has agreed - subject to other Departments deferring starts on the same scale - to control the approval of new projects in primary and secondary schools in the following way:

(a) He will approve no more projects in the 1955-56 programme, save in specially urgent cases. This is expected to result in a carry-over of £20 millions of starts (i.e. the starting of new works, the ultimate cost of which will be £20 millions) into next year.

(b) In any case he will control approvals so that £20 millions of starts is so carried forward and that the total of starts in the first six months of 1956-57 is not more than £25 millions.

(c) He will operate in the second half of 1956-57 in such a way that the total of starts for the whole of that year does not exceed £47 millions as against £57 millions planned in addition to the carry-over.

(d) He will explain to local authorities that the 1956-57 programme cannot all be started in that year and that some starts will have to be postponed to an (unspecified) date in the following year.

Similarly, the Secretary of State for Scotland has agreed to ensure that £3 millions of starts from this year's programme will be carried over and that not more than £8 millions of work is started in the first six months of 1956-57.

19. Roads

The Minister has agreed, in addition to abandoning the £6 millions of projects mentioned at the previous meeting on 24th January, that the provision for major improvements shall be reduced from £16 millions he had proposed to £15¾ millions and the provision for maintenance and minor improvements from £36¾ millions to £34 millions. (All these figures include Scotland). Highway authorities are to be urged to spend a larger proportion of their allocation under the second head on minor improvements.

GOVERNMENT CURRENT EXPENDITURE

20. Defence

The total net provision for active defence will be £1, 499 millions against an original total of £1, 494 millions for 1955-56. It must, however, be remembered that we are taking credit for £50 millions from
Germany for the year, which is at best uncertain. The total Estimates would, of course, have been much lower but for increases in Service pay and emoluments costing some £67 millions in all.

21. Food Subsidies

The proposal which I put to the Cabinet on 24th January was that the bread subsidy should be discontinued and the price of milk raised by fd. per pt. I have reconsidered the timing of these measures in the light of the Cabinet discussions. I remain strongly of the opinion that they should be announced simultaneously with the other measures.

2. Since our last discussion I have come to the conclusion that, in order to make these changes more acceptable and to meet what may certainly be the hard case of those who depend on National Assistance, we should encourage the National Assistance Board to increase their scales of assistance at an early date. (See paragraph 17 of my draft Parliamentary statement.) An increase of 2s. 6d. in the scale would cost the Exchequer £13 millions a year, but it is probable that an increase will be necessary anyhow by next autumn.

23. On the timing of the subsidy changes, I understand that the Minister of Agriculture would like the increase in the milk price delayed until the end of the flush period of milk, say until 1st July, 1956. As for the bread subsidy, I wish to give plenty of time for the Board to bring the increased assistance scales into operation. I suggest that abolition of the subsidy should take effect in about six weeks' time and that it should be just preceded by the increases in the assistance scales.

24. Farm Prices

There is nothing more to be said on this subject until the talks with the farmers have started.

25. School Meals

I have discussed this with the Lord Privy Seal and the Minister of Education. The alternatives are to increase the charge to 1s. now or (a more attractive proposition) to introduce a radically new scheme in the late summer; the latter would involve the payment of the full cost of the meal, except where need was proved, and it could be a grant-aided local authority service. If the reductions in the bread and milk subsidies are approved, I would advise dropping the proposal for an immediate increase in the charge and waiting for the full reorganisation, provided the latter is not unduly delayed.

26. Administrative Costs

The Treasury are now working out the steps necessary to give effect to the Cabinet decision about the further reduction in Civil Service numbers.
IMPORTS

27. It is vitally important to save as much as possible on our import bill.

28. The Minister of Fuel and Power has already agreed to a postergement of 1 1/2 million tons of our coal imports, which will result in a saving of £10 1/2 millions in 1956.

29. Similarly, I am asking the Minister of Food to agree to use as much as possible of the trading stocks of sugar at present held by the Government (400,000 tons) in replacement of imports. The maximum saving which could be obtained would be about £14 millions.

30. I am also proposing to the Minister of Defence and the President of the Board of Trade that we should try to sell some £50 millions worth of our strategic reserves of raw materials during the coming year, with a corresponding saving in imports. These stocks amount to some £200 millions, and on our latest strategic assumptions it is unlikely that the whole of them will be needed. This, of course, does not affect strategic stocks of food.

31. By these measures, I would hope to save about £70 millions. In addition to this, timber stocks are expected to fall by about £30 millions. Thus we can hope to save, without direct import cuts, some £100 millions.

32. I have no further proposals to make at present.
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*The figures quoted are only for Exchequer expenditure on roads. There would be some small saving on the Local Authorities share also.
APPENDIX III

DRAFT PARLIAMENTARY STATEMENT

I wish to make a statement about certain measures which the Government have taken, or propose to take, arising out of the economic situation. [As the House will wish to debate them - and we are prepared to arrange a debate for tomorrow - I propose to state them somewhat briefly today; but I shall, of course, explain and justify them more fully in the debate.]

2. Before, however, dealing with the wider field, I should like to refer to the current expenditure of the central Government. The expenditure which we propose for 1956-57 will be made known in the Defence White Paper to be published tomorrow, and in the Civil Vote on Account which is published today. I should like to say a word about the new figures, since these go to make up the total demand on the economy with which we have to deal.

3. The Defence total will be £1,499 millions net, as against the original Estimates of £1,494 millions for 1955-56. As the White Paper will show, we have carried out a comprehensive and forward-looking review of our defence effort. In this we have had regard both to the needs of the new strategic situation and to the dangers of overloading the economy with the cost of defence, whether in terms of manpower, materials or money. The total Estimates for Defence would have been much lower but for the increases in Service pay and emoluments which are to cost £57 millions in all.

4. The Civil Estimates, at £2,148 millions will show an increase of £112 millions over the original Estimates for 1955-56: of the increase, the Social Services account for £99 millions.

5. It will be seen that the total estimates, defence and civil are £117 millions more than those presented at this time last year. This represents a rise of about 3 per cent.
If the Government had not exercised the most rigorous check, the increases in Service and Civil Service pay, in wages generally and in the costs of all the supplies needed for the Government services would of themselves have carried the total of the Estimates to far higher figures. But we have made vigorous and sustained efforts, initiated by my Rt. Hon. Friend the Lord Privy Seal and continued by me since I took up my present office, with the help of all my colleagues, to reduce the total. The fact is that rises in Education, the Health Service and Service Pay more than account for the net total increase. Over the rest of the field, notwithstanding developments such as those of Atomic Energy and roads, we have brought the total estimates below this year's figure. In the end, allowing for the rise in prices the total of this year's estimates will be below last year's in real terms, that is in their demand on labour and materials.

One might say of the estimates as a whole what was said of the roads in Scotland two hundred years ago:

"Had you known these roads before they were made,
You would lift up your hands and bless General Wade."

6. We shall continue our efforts to reduce the total of public expenditure and shall not hesitate to ask the country to accept a reduction of existing services if we judge it at any time proper and expedient to do so. We shall also pursue a continuous search for further administrative economies. We have already carried this so far that, short of changes in policy, such economies cannot yield large sums; but as an earnest of our intentions I would remind the House that in his recent speech at Bradford the Prime Minister said that our target was a reduction in the staffs of Government Departments by a further 10,000 to 15,000.

7. Now I come to a wider view. There is general agreement that our resources have been overloaded by the combined demands
of investment and consumption. This has held back our exports, swollen our imports, forced us into balance of payments deficit, helped to reduce our reserves by one-quarter, and driven up our domestic price level. After much study of developments during the past few weeks under all these heads, I have come to the conclusion that further measures are required. The more quickly they are applied, the more effective they will be. We must make a still more determined attack on the roots of the trouble and enforce still further reductions in investment and consumption.

8. In the monetary field, the reduction in bank advances has accomplished a good deal, but I must look to the banks to continue their efforts to reduce the total of their advances.

9. Another form of restricting credit is the regulation of the terms of hire purchase. We propose to tighten up the present arrangements in three ways. First, the minimum down payments for consumer goods will be increased from the present 33% and 15% to 50% and 20% respectively, and the maximum repayment reduced from two years to eighteen months. Second, power will be taken to control hiring of certain of these goods. Third, the control will be extended to a comprehensive range of capital goods subject to a 50% down payment and maximum repayment period of eighteen months.

10. Credit restrictions are designed to slow down investment and consumption in the private sector of the economy. I would also appeal to businessmen who are able to finance investment out of their own resources to apply the same tests as to the timing and rate of their investment as if they had to borrow.

11. But the Government must also play its part in this campaign through the public authorities and departments over which it has control. I have therefore made a full review of all these cases with the Ministers concerned. Useful works: already
already started must be completed with all expedition. But we shall delay some works not yet started so as to reduce, as quickly and by as much as possible, our demands on productive industry, especially building and heavy engineering.

12. I will deal first with the nationalised industries. As a result of previous requests they had already reduced their programmes of capital expenditure in 1956 before submitting them to their appropriate Ministers. They have readily co-operated further and by reassessing priorities and by rephasing they have now further reduced their programmes, as submitted, by just under £50 millions. In the result, the total capital expenditure of the Fuel and Power industries should be some £20 millions less than in 1955. On the other hand, the British Transport Commission, although they have agreed to substantial reductions in their 1956 programmes, must spend more than in 1955, in order to make a start with their major plan for re-equipping and speeding up the railways.

13. The contributions of the various authorities are:

- National Coal Board ... £5 millions
- Central Electricity Authority £10 millions
  (£5 millions on generation and £5 millions on distribution)
- The two Scottish Electricity Boards £3½ millions
- The Gas Council and Area Boards ... £5 millions
- British Transport Commission ... £22 millions
- The two Airways Corporations and Airport .. £2½ millions

14. Next, capital expenditure financed direct by the Central Government will be reduced by over £20 millions in all below what had been planned for 1956. Towards this the Post Office, by rearranging its programmes, will find £5½ millions; and the restriction of storage facilities and stockpiling for Home Defence will save £10 millions on the original plan.

/The
The New Town Corporations are also being asked to defer the starting of new capital projects wherever possible. We do not propose any delays in the programme of Hospital building already announced.

15. The same principles must be applied to the capital programmes of Local Authorities.

As regards Housing, the Government's proposals have been embodied in the Bill now before the House.

Under Education, while there will be no cut in the general plan, my Rt. Hon. Friend the Minister of Education is revising the phasing of the programme with two main objects in view - first, to reduce the load on our physical resources in the immediate future; and second, to make more rapid progress with schools already started. My Rt. Hon. Friend will be issuing a circular to explain the necessary arrangements to the Local Authorities. There will be comparable arrangements in Scotland.

The grant of loan sanctions for other capital schemes of Local Authorities will have to be severely restrained, save where there are exceptional circumstances. The sanctioning Ministers will be sending circulars to Local Authorities to explain the new arrangements for the services with which they are concerned.

16. Finally, I must refer again to the question of the current expenditure of the central Government. This, as I have said, makes part of the total demand on our resources and we cannot allow any expenditure for which there is not full justification.

So far nearly all the decisions of the Government, whether in the monetary or in the physical sphere, bear principally on investment. We regret the need for this; but even investment, on which our future prosperity depends so much, cannot be allowed to outrun our resources of men and materials or to make excessive demands on the balance of payments.

/Equally,
Equally, our direct subsidies to consumption, irrespective of need, cannot be justified on their present scale.

Her Majesty's Government have therefore decided upon two reductions in the Food Subsidies.

First, we propose to abolished the bread subsidy as from the [ ]. This subsidy costs about £100 millions a year. The price of bread will henceforward reflect its true cost in a competitive market.

Secondly, ordinary milk - not school or welfare milk - is subsidised to the extent of £37 millions a year. We propose to halve the subsidy by raising the maximum retail price of milk by 2½d. a pint as from [ ]. This will save the taxpayer £20 millions of subsidy in a full year.

17. In present circumstances, with full employment and high wages, these subsidies can no longer be justified. The price increases may, however, press hardly on those who depend on National Assistance and in order to meet this I have informed the Chairman of the National Assistance Board of the changes we propose in order that the Board may consider whether they wish to make any recommendations to the Minister of Pensions and National Insurance before the changes take effect.

18. I have now completed my account of the results of the review which the Government have made of the whole range of public expenditure, capital and current.

The reductions we have been able to make in the capital expenditure of the Government and of the nationalised industries will reduce the pressure of demand in 1956 by some £70 millions. The savings on the Food Subsidies will add £60 millions to that figure, making the total relief about £130 millions.

To this must be added - though I cannot put a figure on them
them at this stage - the reductions in outlay which will result from the rephasing of Local Authorities' capital expenditure.

Finally, we must expect that the continuing, and - in the case of Hire Purchase - the still tighter restriction of credit will achieve a more definite slowing-down of demand from private industry and the consumer.

19. In all these measures I believe we are taking action which, by assisting the fight against inflation, will be beneficial to every class and household in the country. Never before has the standard of living been so high or general well-being so widespread. Never before has every individual home had so great a stake in the continued prosperity and solvency of Britain. I believe, therefore, that although these measures will necessarily result in some sacrifice or some disappointment they will be accepted as wise and timely.
CABINET

NEWSPRINT

Memorandum by the President of the Board of Trade

On 23rd January, the Cabinet invited me to discuss with the Chancellor of the Exchequer the newspapers' request that we should continue Government control over the distribution of newsprint (C. M. (56) 5th Conclusions, Minute 3).

2. I have now discussed this with the Chancellor and we are agreed that, since there seems no possibility of persuading the newspapers to adopt a voluntary control for newspaper consumption, we should go ahead with the scheme for rationing newspapers until the end of this year which I put forward in paragraph 7(iii) of C. P. (56) 15. We are also agreed that an announcement of the continued control should be made as soon as possible.

3. A Question on newsprint controls is already down for answer on Tuesday, 14th February. I think we must announce our policy then or there will be a good deal of undesirable speculation in the newspapers. I propose to do so in the following terms:-

"At my request the newspapers have been considering whether the present statutory control might be replaced by voluntary control. They have, however, recently informed me that they are unable to agree upon any basis which would enable such a voluntary scheme to be achieved, or for safeguards to be provided for the small user. They have all with one exception asked that statutory control should be continued for the time being.

"In such circumstances I have decided that the necessary Order should be laid before Parliament.

"I am, however, taking the opportunity to license an increased number of pages for "The Times". I am doing this because this newspaper now intends to use exclusively a type of paper other than newsprint, and will release to other newspapers all the newsprint it would otherwise have used."

P. T.

Board of Trade, S.W.1.

10th February, 1956.
13th February, 1956

CABINET

RESTRICTIVE TRADE PRACTICES BILL

Memorandum by the Lord Chancellor

The Committee of Ministers which was set up under my Chairmanship to consider the report of the Monopolies Commission on Collective Discrimination has been engaged on the preparation of a Bill to deal with restrictive trade practices. The Committee have completed their examination and I now present the draft Restrictive Trade Practices Bill for the Cabinet's consideration.

2. The Bill implements the statements of policy made by the Government in the debates upon this subject which took place in both Houses of Parliament in July 1955.

3. Broadly the problem which has confronted us has been to find a fair and just method of dealing with restrictive trade practices which avoided both the taint of criminality and arbitrary assumptions associated with such systems as the Sherman Act procedure as practised in America, and, on the other hand, the long delays and incessant political controversy which were becoming inherent in methods associated with the Monopolies Commission in this country. We believe that the method which is described below and contained in the Bill provides what will generally be regarded as a sensible and workmanlike approach to the problem. We do not pretend that in a field at once so novel and so controversial, we will have been able to solve at one stroke all the problems associated with it. This Bill should however be a good beginning.

REGISTRATION

4. The first part of the Bill provides for the registration of certain restrictive trade agreements. The field (clause 5) is wider than that dealt with in the Report of the Monopolies Commission on Collective Discrimination; it includes, for example, common price rings. It covers oral as well as written agreements and makes provision to deal with arrangements based upon the recommendations of Trade Associations. It does not include activities expressly authorised by statute or agreements which relate exclusively to exports - see paragraph 12 below. It does not include restrictive practices by labour.

5. The method of registration (clause 7) is for the Board of Trade to make an Order specifying any of the practices in clause 5 to be called up and such an Order if it seems convenient can postpone the registration in the case of certain industries. This provision would, for example, enable the Board of Trade to postpone registration of restrictive arrangements in steel until after they had received a report upon those practices from the Steel Board.
6. The register will be public, subject only to the power to place certain agreements in a special section e.g., those the publication of which might do damage to our export trade or our security or other interests. Public knowledge of what restrictive agreements do exist is a necessary prerequisite to the removal of those which are either unnecessary or contrary to the public interest (clause 9).

EXAMINATION

7. The next stage is concerned with the examination of the agreement and here we have had to determine some difficult issues concerned with the nature of the Tribunal, the nature of the issue to be determined and the procedures to be adopted.

8. The provisions relating to the Tribunal follow the decision of the Cabinet (C.M. 55) on 47th Conclusions, Minute 5). The Tribunal, which will be known as the Restrictive Practices Court will be a judicial one. It will consist of five Judges and will include as part of it laymen with knowledge of or experience in industry, commerce or public affairs, all appointed by the Lord Chancellor (clauses 2-4).

9. The Restrictive Practices Court will have the task of determining whether the agreements brought before them are or are not contrary to the public interest. They will do this in the light of the justiciable issue defined in clause 16 of the Bill. This clause does not differ greatly from that which was considered by the Cabinet and generally agreed in December, (C.M. 55) 46th Conclusions, Minute 5). I would call attention to clause 16(4) which relates to the factor of unemployment. This subsection with which the Minister of Labour agrees, disallows a plea based on temporary unemployment and directs the court's attention to the position regarding unemployment as a whole in an area and not merely to unemployment in the industry in question. Where the court determines a restrictive practice to be contrary to the public interest, the court may order the parties to the agreement to refrain from giving effect to the agreement or from making any other agreement to the like effect. In brief, if an industry wishes to continue a practice of this kind it will have to show that it is doing so for one of these defined purposes and not operating to any unreasonable extent against the public interest. We believe that this clause gives a fair opening to industry to present the arguments normally advanced in favour of their practices. It is important that it should not be widened.

10. On the question of procedure we have been much concerned to ensure that the proceeding should not be represented as some kind of prosecution by the Board of Trade or any other Department against the industry concerned. To this end we have got to secure that the conduct of the case and the presentation of the public interest aspect of the matter should be as independent as possible of political control or Parliamentary discussion. To this end we propose (clause 1) the appointment by the Crown of a Registrar responsible not only for maintaining the Register of Agreements but for preparing and initiating proceedings before the Restrictive Practices Court, which clause 2 of the Bill establishes. The Registrar will be advised by the Treasury Solicitor and will be represented before the Court by Counsel nominated by the Attorney-General. This arrangement will secure virtual independence of action for the Registrar. In so far as any general question could arise the Committee suggest that in the very special circumstances the Treasury might be prepared to answer in Parliament for matters affecting the work of the Registrar.
11. A difficult problem has confronted us as to whether a discretion should be retained to exempt any agreement from call-up before the Court. We have not specifically provided in the Bill that all agreements should be called up since to do so might lead to the taunt that the procedure would take too long. Equally we have taken care to ensure that no-one should have discretion to exempt agreements from examination before the Court and so be open to pressure to exempt an industry. The essence of these proceedings are that they are judicial and they must remain so. In practice we have three good answers to the charge that all this will take a long time.

(a) That any procedure including that recommended by the majority report of the Monopolies Commission would have taken just as long. The Sherman Act is still active 65 years after its introduction.

(b) That we can control the order in which matters are dealt with so that we can seek to bring up some of the more important issues and those deciding matters of general principle (clause 1(2)) early.

(c) We provide in clause 18(2)(c) for a summary procedure for dealing with cases where decisions of the Court appear to have established a precedent.

MONOPOLIES COMMISSION

12. There remain a number of problems outside the field of those referable to the Restrictive Practices Court. Monopolies of scale clearly do not fit into any justiciable system. Pure export agreements raising as they often do matters which touch on issues of our external political and commercial policy are better dealt with so far as possible outside the procedures described above. At the same time we cannot leave these matters with no machinery for examination. We accordingly retain the Monopolies Commission for this purpose. We take power to turn it into a more compact and smaller body better suited to these more limited purposes (clause 22). We also propose new arrangements which will make it easier to preserve the confidential character of certain export arrangements which upon enquiry are found not to operate against the public interest (clause 25(2)).

13. We deal with the problem of transitional arrangements between the old and new procedures in Part III of the Bill. Here it will perhaps suffice to say that some interruption of work upon the problem of restrictive practices is inevitable in the process of such a change. The arrangements which we propose are designed to secure first that there shall be the minimum danger of a clash of opinion between the Commission and the new Court and second that the Government shall not put itself into the position of judging matters which are by the Bill remitted to the Court for determination.

RESALE PRICE MAINTENANCE

15. Part II of the Bill deals with resale price maintenance. Any Bill which purported to deal with restrictive practices and failed to grapple with this field would be rightly subjected to severe criticism. There is no solution to it which will prove universally acceptable.
16. The problem briefly is as follows. Many manufacturers seek to secure that no retailer should sell their products below a price which they determine. Though the keeping of prices above a certain prescribed level is not the most obvious of our present day needs there are quite respectable arguments in favour of the manufacturer who wishes to have his goods sold at a level and a stable price. What has been condemned is the elaborate machinery which has been set up to enforce this system. Indeed as both the Lloyd-Jacob Report and the majority report of the Monopolies Commission point out this machinery and the size and extent of the associations seeking to enforce the practice render it even more inflexible and more open to objection. When trade associations become involved in this process of enforcement all members of the association are expected to maintain prices and generally to maintain them upon principles laid down by the association which allows little latitude for passing on to the consumer the benefits of more efficient methods of distribution. Manufacturers and retailers have tended in such circumstances to join together for the purpose of enforcing resale price maintenance through an elaborate system of fines, stop lists and private courts.

17. The Bill proposes to render unlawful the collective enforcement of resale price maintenance (clause 19). The stop list or "black list" used for this purpose and the Private Trade Court authorising or purporting to authorise the cutting off of supply to a retailer will become unlawful at the same time. Instead a new right will be established which will enable such individual manufacturers who wish to price maintain their goods to do so through the ordinary courts. If they attach conditions to the sale of such goods they will in future be able to enforce that condition by action in the Courts not only against the dealer to whom they supplied them but also against subsequent dealers who buy the goods with knowledge of the conditions attached (clause 20).

18. While these provisions follow in general the recommendations of the Lloyd-Jacob Report they will of course be controversial. Those who wish to see the end of resale price maintenance will criticise the fact that we legalise its individual enforcement. Those who like resale price maintenance will say, and say with some truth, that the abolition of collective enforcement even with the new forms of legal enforcement by individuals will greatly weaken the system and make it much harder particularly for a smaller manufacturer to ensure that his products are price maintained.

19. We have examined in some detail these various difficulties and we are satisfied that the approach in this Bill is the best that can be devised at any rate at this stage. It eliminates the collective enforcement by trade associations with the inflexibility which inevitably accompanied such a system. It provides a method whereby individuals who really wish to maintain their prices can seek to do so. Individual resale price maintenance can be justified upon respectable economic grounds but it is not an end to which all other objects should be sacrificed.

CONCLUSIONS

20. This Bill furnishes the basis of a new approach to the complex and controversial problem of restrictive trade practices on the employers' side. Its essential features may be summarised as follows:

(a) The public registration of restrictive trade practices.
The establishment of a Judicial Tribunal to determine whether or not they are in the public interest.

The laying down of criteria upon which such an issue can be judged with the onus of proof upon those who seek to justify this practice.

The rendering unlawful of the collective enforcement of resale price maintenance coupled with the provision of new methods to enable individuals to secure the maintenance of the prices which they may choose to fix.

The formation of a smaller and more compact Monopolies Commission for dealing with these matters which are inappropriate for reference to the new Court.

These matters have been closely examined by your Committee. The state of the Parliamentary Time-table suggests that the Bill should be approved for presentation as soon as possible.

K.

House of Lords, S.W.1.

11th February, 1956.
ARRANGEMENT OF CLAUSES

PART I
REGISTRATION AND JUDICIAL INVESTIGATION OF
RESTRICTIVE TRADING AGREEMENTS

Establishment of Registrar and Restrictive Practices Court
Clause
1. Appointment and functions of Registrar.
2. Establishment of Restrictive Practices Court.
3. Nomination of judges as members of Court.
4. Appointment of other members of Court.

Registration of Agreements
5. Agreements to which Part I applies.
7. Classes of agreements to be registered.
8. Duty to furnish particulars for registration.
9. General provisions as to the register.
10. Rectification of register, etc.

Supplementary provisions as to registration
11. Power of Registrar to obtain information.
12. Offences in connection with registration.
13. Commencement of proceedings and where.
14. Regulations for purposes of registration.

Judicial investigation of registered Agreements
15. Jurisdiction and powers of Court.
16. Presumption as to the public interest.
17. Variation of decisions of the Court.
18. Rules as to procedure.
PART II
ENFORCEMENT OF CONDITIONS AS TO RESALE PRICES

Clause 19. Prohibition of agreements for collective enforcement of conditions as to resale prices.
20. Individual enforcement by legal proceedings of conditions as to resale prices.
21. Supplementary provisions.

PART III
CONSEQUENTIAL AND OTHER PROVISIONS AS TO MONOPOLIES AND RESTRICTIVE PRACTICES ACTS, 1948 AND 1953

22. Reconstitution of Monopolies Commission.
23. Future scope of references to Monopolies Commission.

PART IV
MISCELLANEOUS AND GENERAL

26. Increase of number of judges of High Court and Court of Session.
27. Restriction on disclosure of information.
28. Proceedings of Board of Trade.
29. Expenses, etc.
30. Interpretation.
31. Application to Northern Ireland.
32. Short title and commencement.

SCHEDULE—Supplementary provisions as to proceedings of Restrictive Practices Court.
Draft of a Bill

Provide for the registration of certain restrictive trading agreements, and for the prohibition of such agreements when contrary to the public interest; to prohibit the collective enforcement of conditions regulating the resale price of goods, and to make further provision for the individual enforcement of such conditions by legal proceedings; to amend the Monopolies and Restrictive Practices Acts, 1948 and 1953; to provide for the appointment of additional judges of the High Court and of the Court of Session; and for other purposes connected with the matters aforesaid.

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:—

5. PART I

Registration and Judicial Investigation of Restrictive Trading Agreements

Establishment of Registrar and Restrictive Practices Court

1.—(1) For the purposes of this Part of this Act, Her Majesty may appoint an officer to be known as the Registrar of Restrictive Trading Agreements (in this Act referred to as "the Registrar"), who shall hold office during Her Majesty's pleasure.

(2) The Registrar shall be charged with the duty of maintaining a register of agreements which are subject to registration under this Part of this Act, and of taking proceedings before the...
Establishment of Restrictive Practices Court.

A.D. 1956
PART I
—cont.

2.-—(1) For the purposes of this Part of this Act there shall be established a Court to be known as the Restrictive Practices Court (in this Part of this Act referred to as “the Court”).

(2) The Court shall consist of five judges nominated under section three of this Act, and not more than nine other members appointed under section four of this Act.

(3) The Court shall be a court of record and have an official seal which shall be judicially noticed; and any order of the Court shall be enforceable—

(a) in England and Wales and Northern Ireland, as if it were an order of the High Court;

(b) in Scotland, as if it were an order of the Court of Session.

(4) The supplementary provisions set out in the Schedule to this Act shall have effect with respect to the proceedings of the Court.

(5) The Lord Chancellor may appoint such officers and servants of the Court as he may, with the approval of the
3.—(1) The following judges shall be members of the Court, that is to say:

(a) three puisne judges of the High Court nominated by the Lord Chancellor;

(b) one judge of the Court of Session nominated by the Lord President of that Court;

(c) one judge of the Supreme Court of Northern Ireland nominated by the Lord Chief Justice of Northern Ireland.

(2) A judge of any court who is nominated under this section shall not be required to sit in any place outside the jurisdiction of that court, and shall be required to perform his duties as a judge of that court only when his attendance on the Restrictive Practices Court is not required.

(3) In the case of the temporary absence or inability to act of a judge nominated under this section, the Lord Chancellor, the Lord President of the Court of Session, or the Lord Chief Justice of Northern Ireland, as the case may be, may nominate another judge of the same court to act temporarily in his place, and a judge so nominated shall, when so acting, have all the functions of the judge in whose place he acts.

(4) No judge shall be nominated under this section except with his consent.

4.—(1) The members of the Court other than judges nominated under the last foregoing section may be appointed by Her Majesty on the recommendation of the Lord Chancellor, and any person recommended for appointment as such a member shall be a person appearing to the Lord Chancellor to be qualified by virtue of his knowledge of or experience in industry, commerce or public affairs.

(2) A member of the Court appointed under this section (in this section referred to as an appointed member) shall hold office for such period not less than three years as may be determined at the time of his appointment, and shall be eligible for reappointment:

Provided that—

(a) an appointed member may at any time by notice in writing to the Lord Chancellor resign his office;
(b) the Lord Chancellor may, if he thinks fit, remove any appointed member for inability or misbehaviour.

(3) In the case of the temporary absence or inability to act of an appointed member, the Lord Chancellor may appoint a temporary member to act in place of that member, and a temporary member shall, when so acting have all the functions of an appointed member.

(4) There may be paid to the appointed members and to any temporary member such remuneration as the Lord Chancellor may, with the approval of the Treasury, determine.

(5) Subsections (6) and (7) of section one of this Act shall apply in relation to the office of appointed member as they apply in relation to the office of Registrar, but as if for references to the Treasury there were substituted references, in the said subsection (6) to the Lord Chancellor acting with the approval of the Treasury, and in the said subsection (7) to the Lord Chancellor.

Registration of Agreements

(1) Subject to the provisions of the next following section, this Part of this Act applies to any agreement between persons carrying on business within the United Kingdom in the production or wholesale or retail supply of goods, or in the application to goods of any process of manufacture, whether with or without other parties, being an agreement under which mutual restrictions, whether identical or not, are accepted by the parties carrying on business as aforesaid or any of them in respect of any one or more of the following matters, that is to say:—

(a) the prices to be charged, quoted or paid for goods supplied, offered or acquired, or for the application of any process of manufacture to goods;

(b) the terms or conditions (other than terms as to prices) on or subject to which goods are to be supplied or acquired or any such process is to be applied to goods;

(c) the quantities or descriptions of goods to be produced, supplied or acquired, or to which any such process is to be applied;

(d) the processes of manufacture to be applied to any goods, or the goods to which any such process is to be applied; or

(e) the persons or classes of persons to, for or from whom, or the areas or places in or from which, goods are to be supplied or acquired, or any such process applied.

(2) In this Part of this Act "agreement" includes any agreement or arrangement, whether or not it is or is intended to be enforceable (apart from any provision of this Act) by legal proceedings, and references in this Part of this Act to restrictions
accepted under an agreement shall be construed accordingly; and for the purposes of this Part of this Act—

(a) an agreement which confers privileges or benefits only upon such parties as comply with conditions as to any such matters as are described in paragraphs (a) to (e) of subsection (1) of this section, or imposes obligations upon parties who do not comply with such conditions, shall be treated as an agreement under which restrictions are accepted by each of the parties in respect of those matters; and

(b) without prejudice to the generality of the foregoing paragraph, an obligation on the part of any party to an agreement to make payments calculated by reference to the quantity of goods produced or supplied by him, or to which any process of manufacture is applied by him, shall be treated as a restriction in respect of the quantities of those goods to be produced or supplied, or to which that process is to be applied.

(3) This Part of this Act shall apply in relation to any agreement made between an association composed of such persons as are mentioned in the said subsection (1) and any other such person, or between two or more such associations, as it applies to an agreement between such persons; and for the purposes of this Part of this Act any restrictions accepted by any such association under such an agreement shall be treated as accepted mutually by the members for the time being of the Association.

(4) Where recommendations (whether express or implied) are made by or on behalf of any such association as aforesaid to its members or to any class of its members, as to the action to be taken or not taken by them in respect of any such matters as are described in paragraphs (a) to (e) of the said subsection (1), this Part of this Act shall apply in relation to the agreement for the constitution of the association as if each such member were thereby required to comply with the recommendations, notwithstanding that the agreement does not so provide or expressly provides to the contrary.

6.—(1) This Part of this Act does not apply to any scheme or Excepted agreement which is expressly authorised by or under any enactment to which the only parties are inter-connected bodies corporate or persons carrying on business in partnership with each other.

(2) This Part of this Act does not apply to any contract for the sale of goods, or for the application of any process of manufacture of goods, which imposes no such restrictions as are described in section five of this Act except in respect of those goods.
(3) This Part of this Act does not apply to any licence granted by the proprietor or any licensee of a patent, any assignment of a patent, or any agreement for such a licence or assignment, being a licence, assignment or agreement which imposes no such restrictions aforesaid except in respect of the patented article, the patented process, or articles made by that process.

(4) In determining whether an agreement is an agreement to which this Part of this Act applies, no account shall be taken of any such restriction as follows, that is to say—

(a) a restriction which relates exclusively to the production of goods, or the application of any process of manufacture to goods, outside the United Kingdom, to the supply of goods to be delivered outside the United Kingdom, or to the acquisition of goods to be delivered outside the United Kingdom and not imported into the United Kingdom for entry for home use; or

(b) a restriction which affects or otherwise relates to the workmen to be employed or not employed by any person, or as to the remuneration, conditions of employment, hours of work or working conditions of such workmen,

and for the purposes of this subsection "workmen" has the same meaning as in the Industrial Courts Act, 1919.

7.—(1) Subject to the provisions of this section, every agreement to which this Part of this Act applies shall be subject to registration thereunder.

(2) The foregoing subsection shall come into force on such date as the Board of Trade may by order appoint, and different dates may be appointed under this subsection in relation to agreements of different classes.

(3) An order under the last foregoing subsection may describe the classes of agreements to which it applies by reference to any one or more of the following matters, that is to say—

(a) the trade or industry in which the persons by whom restrictions are accepted are engaged, or the class of business carried on by such persons;

(b) the character of the restrictions accepted, or the goods, processes, transactions, areas or places affected by such restrictions:

(c) any other features which appear to the Board to be expedient.

(4) The Board of Trade may by order direct that this section shall cease to have effect (subject to such saving or transitional provisions as may be contained in the order) in relation to agreements of any class in respect of which it is for the time being.
in force; and subsection (3) of this section shall apply in relation to any such order.

(5) The powers of the Board of Trade to make orders under this section shall be exercisable by statutory instrument; and a draft of any statutory instrument containing such an order shall be laid before Parliament.

8.—(1) Within the period specified in this section the following particulars shall be furnished to the Registrar in respect of every agreement which is subject to registration under this Part of this Act, that is to say—

(a) the names of the persons who are parties to the agreement (including, in the case of an agreement made by any such association as is mentioned in subsection (3) of section five of this Act, the names of the members of the association); and

(b) the whole of the terms of the agreement, whether or not relating to any such restrictions as are described in subsection (1) of section five of this Act.

(2) If at any time after particulars of an agreement have been furnished under this section that agreement is varied (whether in respect of the parties or in respect of the terms) or determined otherwise than by effluxion of time, particulars of the variation or determination shall be furnished to the Registrar within the period specified in this section.

(3) The particulars to be furnished under this section in respect of an agreement shall be furnished—

(a) in so far as the agreement, or any variation or determination of the agreement, is made by an instrument in writing, by the production of the original or a true copy of that instrument;

(b) in so far as the agreement, or any variation or determination of the agreement, is not so made, by the production of a memorandum in writing signed by the party by whom the particulars are furnished.

(4) The particulars to be furnished under this section in respect of an agreement shall be furnished within such period, beginning with the date on which the agreement is made or becomes subject to registration under this Part of this Act, whichever is the later, or with the date of the variation or determination of the agreement, as the case may be, as may be prescribed by the order of the Board of Trade under section seven of this Act by virtue of which the agreement is subject to registration.

(5) If default is made in furnishing particulars under this section in respect of an agreement, the Registrar may serve notice upon any person within the United Kingdom who is party
to the agreement (or, in the case of default in furnishing particulars of the determination of an agreement, any person within the United Kingdom who was party thereto immediately before its determination) requiring him to make good the default; and if that person fails to make good the default within fourteen days after the service of the notice, the High Court may, on the application of the Registrar—

(a) make an order directing that person to make good the default within such time as may be specified in the order; or

(b) authorise the Registrar to treat as particulars duly furnished to him under this Part of this Act any document or information in his possession relating to the agreement.

(6) In the application of the last foregoing subsection to Scotland, for any reference to the High Court there shall be substituted a reference to the Court of Session.

9.—(1) The register for the purposes of this Part of this Act shall be kept by the Registrar at such premises within the United Kingdom as the Registrar may determine.

(2) The register shall be kept in such form as may be prescribed by regulations made under section fourteen of this Act, and the Registrar shall enter or file therein such particulars as may be so prescribed of agreements subject to registration under this Part of this Act, being particulars duly furnished to him under this Part of this Act by parties thereto, or documents or information which he is authorised by the Court to treat as particulars so furnished.

(3) Regulations made as aforesaid shall provide for the maintenance of a special section of the register, and for the entry or filing in that section of such particulars as the Board of Trade may direct, being—

(a) particulars containing information the publication of which would in the opinion of the Board be contrary to the public interest;

(b) particulars containing information as to any secret process of manufacture or as to the presence, absence or situation of any mineral or other deposits or as to any other similar matter, being information the publication of which, in the opinion of the Board would substantially damage the legitimate business interests of any person.

(4) The register, other than the special section, shall be open to public inspection during such hours and subject to payment of such fee as may be prescribed by regulations made under section fourteen of this Act.
(5) Any person may, upon payment of such fee as may be prescribed by regulations made as aforesaid, require the Registrar to supply to him a copy of or extract from any particulars entered or filed in the register, other than the special section, certified by the Registrar to be a true copy or extract.

(6) No process for compelling the production of the register or of any other document kept by the Registrar shall issue from any court except with the leave of the court, and any such process if issued shall bear a statement that it is issued with the leave of the court.

(7) A copy of or extract from any document entered or filed in the register, certified under the hand of the Registrar (whose official position it shall not be necessary to prove), shall in all legal proceedings be admissible in evidence as of equal validity with the original.

10.—(1) The High Court may, on the application of any person aggrieved, order the register to be rectified by the removal of particulars included therein in respect of any agreement which is not subject to registration under this Part of this Act.

(2) The High Court may, on the application of any person party to an agreement, or on the application of the Registrar in respect of any agreement of which particulars have been furnished to him under this Part of this Act, declare whether or not the agreement is one to which this Part of this Act applies, and if so whether or not it is subject to registration under section seven of this Act.

(3) Where application is made under subsection (2) of this section by any party to an agreement before the expiration of the period within which, if the agreement is subject to registration under this Part of this Act, particulars are required to be furnished under section eight of this Act, then—

(a) if particulars of the agreement have not been so furnished before the commencement of the proceedings, the said period shall be extended by a period equal to the period during which the proceedings and any appeal therein are pending, and such further period, if any, as the court may direct; and

(b) if particulars have been so furnished, the Registrar shall not enter or file particulars of the agreement in the register during the period during which the proceedings and any appeal therein are pending.

(4) Notice of any application to the court under this section, other than an application by the Registrar, shall be served on the Registrar in accordance with rules of court, and the Registrar shall be entitled, in accordance with such rules, to appear and be heard on the application.
(5) In the application of this section to Scotland, for any reference to the High Court there shall be substituted a reference to the Court of Session.

Supplementary provisions as to registration

11.—(1) If the Registrar has reasonable cause to believe that any person carrying on within the United Kingdom any such business as is described in subsection (1) of section five of this Act is or may be party to an agreement subject to registration under this Part of this Act, he may give notice to that person requiring him, within such time as may be specified in the notice, to notify the Registrar whether he is party to any agreement relating to any such matters as are described in paragraphs (a) to (e) of the said subsection (1), and if so to furnish to the Registrar such particulars as may be so specified of that agreement.

(2) The Registrar may give notice to any person by whom particulars are furnished under section eight of this Act in respect of an agreement, or to any other person being party to the agreement, requiring him to furnish such further documents or information in his possession or control as the Registrar considers expedient for the purposes of or in connection with the registration of the agreement.

(3) In any case where the Registrar has given or is empowered to give notice to any person under the foregoing provisions of this section, any officer duly authorised in that behalf by the Registrar may, on production if so required of his authority, at any reasonable time enter any premises on or from which that person carries on business, and may inspect and take copies of or extracts from any documents found on those premises which appear to that officer to be material for the purposes of registration under this Part of this Act.

12.—(1) If any person fails without reasonable excuse to comply with a notice duly given to him under the last foregoing section, or obstructs any officer in the exercise of his powers under subsection (3) of that section, he shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding one hundred pounds.

(2) If any person who furnishes or is required to furnish any particulars, documents or information under this Part of this Act,—

(a) makes any statement, or furnishes any document, which he knows to be false in a material particular; or

(b) recklessly makes any statement, or furnishes any document, which is false in a material particular; or
(c) wilfully alters, suppresses or destroys any document which he is required to furnish as aforesaid, he shall be guilty of an offence under this section, and shall be liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding one hundred pounds, or to both such imprisonment and such a fine, or on conviction on indictment to imprisonment for a term not exceeding two years or to a fine, or to both such imprisonment and a fine.

(3) If any default in respect of which a person is convicted of an offence under subsection (1) of this section continues after the conviction, that person shall be guilty of a further offence and liable on summary conviction to a fine not exceeding one hundred pounds, or not exceeding ten pounds for every day on which the default continues within the three months next following his conviction for the first-mentioned offence, whichever is the greater; and for the purposes of this subsection a default in respect of the furnishing of any particulars, documents or information shall be deemed to continue until the particulars, documents or information have been furnished.

(4) Where an offence under this section committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he as well as the body corporate shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(5) In this section “director”, in relation to a body corporate established by or under any enactment for the purpose of carrying on under national ownership any industry or part of an industry or undertaking, being a body corporate whose affairs are managed by its members, means a member of that body corporate.

13.—(1) No proceedings for an offence under this Part of this Act shall be instituted in England and Wales or Northern Ireland except by or with the consent of the Director of Public Prosecutions or the Registrar.

(2) Notwithstanding anything in section one hundred and four of the Magistrates’ Courts Act, 1952, or in any corresponding enactment relating to summary proceedings in Northern Ireland, an information relating to an offence under this Part of this Act may, subject to the provisions of subsection (4) of this section, be tried by a magistrates’ court or by a court of summary jurisdiction in Northern Ireland, if it is laid at any time within twelve months after the date on which evidence sufficient in
PART I—cont.

the opinion of the Director of Public Prosecutions or the Registrar, as the case may be, to justify the proceedings comes to his knowledge.

(3) Notwithstanding anything in section twenty-three of the Summary Jurisdiction (Scotland) Act, 1954, proceedings in Scotland for an offence against this Part of this Act may, subject to the provisions of subsection (4) of this section, be commenced at any time within twelve months after the date on which evidence sufficient in the opinion of the Registrar to justify a report to the Lord Advocate with a view to consideration of the question of proceedings comes to the knowledge of the Registrar.

(4) No information shall be laid or proceedings commenced in respect of any such offence as aforesaid more than three years after the commission of the offence.

(5) For the purposes of subsections (2) and (3) of this section, a certificate of the Director of Public Prosecutions or the Registrar, as the case may be, as to the date on which such evidence as aforesaid came to his knowledge shall be conclusive evidence.

(6) An offence under section twelve of this Act may be tried by a court of summary jurisdiction either in the county or place in which the offence was actually committed or in any county or place in which the alleged offender carries on business.

14.—(1) Subject to the foregoing provisions of this Act, the Registrar may make such regulations as he thinks expedient for purposes of registration under this Part of this Act and for purposes connected therewith, and in particular, but without prejudice to the generality of the foregoing provision—

(a) for regulating the procedure to be followed in connection with the furnishing of particulars, information and documents under sections eight and eleven of this Act;

(b) for prescribing the form of any notice, certificate or other document to be given, made or furnished under the foregoing provisions of this Part of this Act;

(c) for regulating the inspection of the register or of any document kept by the Registrar;

(d) for prescribing anything authorised or required by this Part of this Act to be prescribed by regulations made under this section.

(2) Any such regulations prescribing a fee for inspection of the register or for the supply of copies of or extracts from particulars entered or filed therein, shall be made with the approval of the Treasury.
(3) The power of the Registrar to make regulations under this section shall be exercisable by statutory instrument, and the Statutory Instruments Act, 1946, shall apply to such regulations as it applies to regulations made by a Minister of the Crown within the meaning of that Act.

(4) Any statutory instrument containing regulations made under this section shall be laid before Parliament after being made.

Judicial investigation of registered Agreements

15.—(1) The Court shall have jurisdiction, on the application of the Registrar in respect of any agreement of which particulars are for the time being registered under Part I of this Act, to declare whether or not any restrictions by virtue of which the said Part I applies to the agreement are contrary to the public interest.

(2) Where any such restrictions are determined by the Court to be contrary to the public interest, the Court may, upon the application of the Registrar, make such order as appears to the Court to be proper for restraining all or any of the persons party to the agreement who are party to the proceedings—

(a) from giving effect to, or enforcing or purporting to enforce, the agreement in respect of those restrictions;

(b) from making any other agreement (whether with the same parties or with other parties) to the like effect.

(3) The powers of the Court under this section shall not be affected by any variation or determination of an agreement effected after the commencement of the proceedings.

(4) The Registrar shall cause notice of any declaration or order made under this section to be entered in the register.

16. For the purposes of any proceedings before the Court under the last foregoing section, a restriction accepted in pursuance of any agreement shall be deemed to be contrary to the public interest unless the Court is satisfied—

(a) that the restriction is reasonably necessary for the protection of the public in connection with the purchase, consumption, installation or use of goods requiring special knowledge or skill in that connection;

(b) that the removal of the restriction would deny to the public as purchasers, consumers or users of any goods other specific and substantial benefits or advantages enjoyed or likely to be enjoyed by them as such, whether by virtue of the restriction itself or of any arrangements or operations resulting therefrom;
(c) that the restriction is reasonably necessary to counteract measures taken by any person not party to the agreement with a view to preventing or restricting competition in or in relation to the trade or business in which the persons party thereto are engaged;

(d) that the restriction is reasonably necessary to enable the persons party to the agreement to negotiate fair terms for the supply or acquisition of goods to or from any one person, or any two or more persons being interconnected bodies corporate, not party thereto who control or together control a preponderant part of the trade or business of acquiring or supplying such goods;

(e) that the restriction is necessary for the purposes of a scheme certified by the Board of Trade under Part XXIII of the Income Tax Act, 1952 (which relates to contributions and payments under schemes or rationalising industry);

(f) that, having regard to the conditions actually obtaining or reasonably foreseen at the time of the application, the removal of the restriction would be likely to have a serious and persistent adverse effect on the general level of unemployment in an area, or in areas taken together, in which a substantial proportion of the trade or industry to which the agreement relates is situated, or to cause a substantial reduction in the volume or earnings of the export trade of the United Kingdom; or

(g) that the restriction is reasonably required for purposes connected with the maintenance of any other restriction accepted by the parties, whether under the same agreement or under any other agreement between them, being a restriction which is found by the Court not to be contrary to the public interest upon grounds other than those specified in this paragraph, or has been so found in previous proceedings before the Court.

and (in any such case) that the restriction has not operated and is not calculated to operate to an unreasonable extent to the detriment of persons not parties to the agreement being purchasers, consumers or users of goods produced or sold by such parties, or persons engaged or seeking to become engaged in the trade or business of selling such goods or of producing or selling similar goods, or otherwise to the detriment of the public.

17.—(1) The Court may, upon application made in accordance with this section, discharge any previous determination of the Court in respect of any restriction (including any order made
by the Court in pursuance of the determination) and substitute such other determination, and make such order in pursuance thereof, as appears to the Court to be proper at the time of the hearing of the application.

5 (2) The provisions of section sixteen of this Act shall apply with the necessary modifications in relation to proceedings on an application under this section as they apply in relation to the proceedings therein mentioned.

(3) An application under this section may be made by the Registrar or by any person who is, or was at the time of the previous determination of the Court, subject to or entitled to the benefit of the restriction in question.

(4) No application shall be made under this section except with the leave of the Court, and such leave shall not be granted except upon prima facie evidence of a material change in the relevant circumstances.

18.—(1) Subject to the foregoing provisions of this Part of this Act and to the provisions of the Schedule to this Act, the procedure in or in connection with any proceedings before the Court and, subject to the approval of the Treasury, the fees chargeable in respect of such proceedings, shall be such as may be determined by rules made by the Lord Chancellor.

(2) Without prejudice to the generality of the foregoing provision, rules made under this section may provide—

(a) for regulating the persons to be made respondents to any application by the Registrar under this Part of this Act;

(b) for securing, by means of preliminary statements of facts and contentions, and by the production of documents, the administration of interrogatories and other methods of discovery, that all material facts and considerations are brought before the Court;

(c) for enabling the Court to determine in a summary way any issue arising in relation to an agreement which appears to the Court to be governed by principles established in any previous proceedings before the Court.

(3) The power of the Lord Chancellor to make rules under this section shall be exercisable by statutory instrument; and any statutory instrument containing such rules shall be laid before Parliament after being made.
Part II

Enforcement of Conditions as to Resale Prices

19.—(1) Subject to the provisions of this section, it shall be unlawful for any two or more persons carrying on business in the United Kingdom as suppliers of any goods to make or carry out any agreement or arrangement—

(a) to withhold supplies of goods for delivery in the United Kingdom from dealers who resell or have resold goods in breach of any condition as to the price at which those goods may be resold; or

(b) to refuse to supply goods for delivery in the United Kingdom to such dealers except on terms and conditions which are less favourable than those applicable in the case of other dealers carrying on business in similar circumstances.

(2) Subject to the provisions of this section, it shall be unlawful for any two or more persons carrying on business in the United Kingdom as dealers in any goods to make or carry out any agreement or arrangement—

(a) to withhold orders for supplies of goods for delivery in the United Kingdom from suppliers who supply or have supplied goods otherwise than subject to such a condition as aforesaid; or

(b) to discriminate in their handling of goods against goods supplied by such suppliers.

(3) The foregoing provisions of this section shall not apply to the following agreements or arrangements, that is to say:

(a) an agreement or arrangement to which the only parties are two or more inter-connected bodies corporate, or two or more persons carrying on business in partnership with each other;

(b) a contract for the sale of any goods which relates exclusively to those goods.

(4) This section applies in relation to an association composed of persons carrying on business as mentioned in subsection (1) or subsection (2) of this section as it applies in relation to a person so carrying on business; and without prejudice to the foregoing provision it shall be unlawful for any such association, or any person acting on behalf of any such association, to make to members of the association or any class of such members any recommendation to act as described in paragraph (a) or paragraph (b) of the said subsection (1) or the said subsection (2), as the case may be.
(5) No criminal proceedings shall lie against any person on the ground that he has committed, or aided, abetted, counselled or procured the commission of, or conspired or attempted to commit, or incited others to commit, any contravention of this section.

(6) Without prejudice to the right of any person to bring civil proceedings in respect of any contravention or apprehended contravention of this section, compliance with this section shall be enforceable by civil proceedings on behalf of the Crown for an injunction or other appropriate relief.

(7) Section four of the Trade Disputes Act, 1906 (which prohibits actions of tort against trade unions) shall not apply to proceedings under this section.

20. — (1) Where goods are sold by a supplier subject to a condition as to the price at which those goods may be resold, either generally or by or to a specified class or person, that condition may, subject to the provisions of this section, be enforced by the supplier against any person not party to the sale who subsequently acquires the goods with notice of the prices.

20. — (2) A condition shall not be enforceable by virtue of this section—

(a) in respect of the resale of any goods by a person who acquires those goods by retail purchase, or by any person who acquires them, whether immediately or not, from such a person;

(b) in respect of the resale of any goods pursuant to an order of any court, or by way of execution or distress.

(3) Nothing in this section shall be construed as enabling any person to enforce a condition imposed in pursuance of any restriction which is declared by an order of the Restrictive Practices Court for the time being in force under Part I of this Act to be contrary to the public interest.

(4) If in any proceedings it is proved that goods sold by the plaintiff have been resold by the defendant in breach of a condition which is enforceable against him by virtue of this section, the court may, if it thinks fit, grant an injunction restraining the defendant from reselling in breach of any such condition any goods already sold or thereafter to be sold by the plaintiff, whether of the same description as the goods proved to have been resold as aforesaid or of any other description.

21. — (1) For the purposes of this Part of this Act a condition Supplementary to the amount of discount which may be allowed on the resale provisions of any goods, or as to the price which may be paid on the
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**PART II**

—cont.

resale of any goods for other goods taken by way of exchange, shall be treated as a condition as to the price at which goods may be resold.

(2) In this Part of this Act any reference to selling goods includes a reference to letting goods under a hire-purchase agreement within the meaning of the Hire-Purchase Act, 1938, and in relation to goods let under any such agreement any reference to the price shall be construed as a reference to the cash price within the meaning of section two of that Act.

(3) In the application of this section to Scotland, for references to a hire-purchase agreement within the meaning of the Hire-Purchase Act, 1938, and to the cash price within the meaning of section two of that Act there shall be substituted respectively references to a contract to which the Hire-Purchase and Small Debt (Scotland) Act, 1932 applies, or would apply if the limitation as to value contained in section one of that Act were omitted, and to the price at which a prospective hirer under such a contract could have purchased the goods for cash; and for references to the plaintiff, the defendant or an injunction there shall be substituted references respectively to the pursuer, the defender and an interdict.

(4) In the application of this section to Northern Ireland for any reference to the Hire-Purchase Act, 1938 or to section two of that Act there shall be substituted a reference to any corresponding enactment for the time being in force in Northern Ireland.

**PART III**

**Consequential and Other Provisions as to Monopolies and Restrictive Practices Acts, 1948 and 1953**

22.—(1) As from the date on which this section comes into force, the Monopolies and Restrictive Practices Commission established under the Monopolies and Restrictive Practices (Inquiry and Control) Act, 1948 (in this Part of this Act referred to as "the Act of 1948") shall be known as the Monopolies Commission, and every member of that Commission holding office on that date shall cease to hold office.

(2) Notwithstanding anything in subsection (3) of section one of the Act of 1948 (which prohibits the re-appointment of members of the Commission other than the chairman and deputy chairmen) any member of the said Commission who ceases to hold office by virtue of this section shall be eligible for re-appointment; but the said subsection (3) shall have effect in relation to the period for which a member who is re-appointed may hold office, and the period to which the term of office of such a member may be extended as if that member had not ceased to hold office as aforesaid.
(3) The maximum number of members of the said Commission who may be appointed under subsection (2) of section one of the Act of 1948 (which provides that the Commission shall consist of not more than twenty-five members) shall be reduced to ten; and accordingly in the said subsection (2) for the words "twenty-five" there shall be substituted the word "ten".

(4) The functions of the said Commission shall cease to be exercisable by separate groups of members, and accordingly section two of the Monopolies and Restrictive Practices Commission Act, 1953 (in this section referred to as "the Act of 1953") and the Second Schedule to that Act (which make provision for the exercise of functions of the said Commission by groups of members working at the same time) are hereby repealed.

(5) The power of the Board of Trade under section one of the Act of 1953 to appoint deputy chairmen of the said Commission shall cease to be exercisable; and accordingly subsection (3) of the said section one is hereby repealed, and the said section and the First Schedule to the Act of 1953, shall have effect as if every reference therein to a deputy chairman were omitted.

(6) This section shall come into force on such date as may be appointed by order made by the Board of Trade by statutory instrument.

23.—(1) For the purposes of any reference made to the Monopolies Commission after the commencement of this Act under section two of the Act of 1948 conditions to which that Act applies shall not be deemed to prevail as respects the supply of goods of any description, the application of any process to goods of any description or the export of goods of any description, by reason of any agreement to which Part I of this Act applies.

(2) In relation to any such reference as aforesaid, subsection (1) of section five of that Act (which provides that such conditions shall be deemed to prevail as respects exports of goods if any one person produces at least one-third of all the goods produced in the United Kingdom) shall have effect as if after the words "any one person" there were inserted the words "or any two or more persons being inter-connected bodies corporate".

(3) Except so far as the Board of Trade may otherwise direct in any particular case, any reference or requirement to report made to the said Commission under the Act of 1948 before the commencement of this Act, in respect of which the Commission have not made a final report to the Board, shall lapse on
the commencement of this Act, and any proceedings of the Commission thereunder shall be discontinued accordingly.

(4) The proviso to subsection (4) of section six of the Act of 1948 (which restricts the powers of the Board of Trade to vary references made to the Commission under that Act) and the proviso to subsection (1) of section fifteen of that Act (which restricts the power of the Board to require the Commission to report on general questions) shall cease to have effect; and section twelve of that Act (which enables the Board to refer to the Commission questions as to compliance with recommendations of the Commission or of competent authorities) shall cease to have effect in relation to any recommendations contained in a report issued by the Commission in pursuance of a reference made before the commencement of this Act.

24.—(1) Except as provided by this section, no order shall be made after the commencement of this Act under section ten of the Act of 1948—

(a) declaring unlawful the making or carrying out of any agreement which, if in force, would be an agreement to which Part I of this Act applies; or

(b) requiring the determination of any agreement to which the said Part I applies.

(2) The Restrictive Practices Court may, upon application made by any person who desires to make any agreement which, if made, would be an agreement to which Part I of this Act applies, being an agreement the making of which is unlawful by virtue of any order in force under the said section ten, discharge or vary that order so far as it appears to the Court to be necessary to enable that agreement to be made if the Court is satisfied that no restrictions proposed to be accepted under the said agreement would be contrary to the public interest.

(3) Where, before the commencement of this Act, any undertaking or assurance has been given by any person to a competent authority within the meaning of the said section ten that any agreement (being an agreement to which Part I of this Act applies or would apply if the agreement were in force) will be determined, or will not be made—

(a) the provisions of subsection (2) of this section shall apply in relation to the undertaking or assurance as if it were an order under the said section ten; and

(b) subject to any order made by the Court under the said subsection (2) as applied by the foregoing paragraph, an order under the said section ten may, if the undertaking or assurance is not complied with, be made to the like effect as the undertaking or assurance.
(4) The Registrar shall be the respondent to any application made under this section; and the provisions of section sixteen of this Act shall apply with the necessary modifications in relation to proceedings on any such application as they apply in relation to the proceedings therein mentioned.

(5) No application shall be made under this section until the expiration of the period of three years beginning with the date of the commencement of this Act.

(6) Subsection (6) of section ten of the Act of 1948 (which provides for the revocation or variation of orders under that section) shall not apply to any order made under that section before the commencement of this Act.

PART IV
MISCELLANEOUS AND GENERAL

15 25.—(1) In relation to any agreement which is excepted by virtue of section six of this Act from the agreements to which Part I of this Act applies by reason of the fact that restrictions accepted thereunder relate exclusively to the supply of goods by export from the United Kingdom, the provisions of sections seven, eight and eleven of this Act shall apply in relation to agreements to which this section applies as they apply in relation to agreements subject to registration under the said Part I, but as if for any reference in those provisions to the Registrar there were substituted a reference to the Board of Trade, and sections twelve and thirteen of this Act shall apply accordingly.

(2) Notwithstanding anything in section nine of the Monopolies and Restrictive Practices (Inquiry and Control) Act, 1948, the Board of Trade shall not be required to lay before Parliament any report made to them by the Monopolies Commission which relates exclusively to exports of goods from the United Kingdom, or any part of a report so made which relates exclusively to such exports, unless, according to the report, conditions to which that Act applies in fact prevail as respects those exports, and those conditions, or things done as a result of, or for the purpose of preserving, those conditions, operate or may be expected to operate against the public interest.

26.—(1) The number of puisne judges of the High Court who may be appointed under the Supreme Court of Judicature (Consolidation) Act, 1925, shall be increased by three; and accordingly subsection (1) of section two of the said Act of 1925 and subsections (1) and (2) of section one of the Supreme Court of Judicature (Amendment) Act, 1944, shall have effect as if for the word “thirty-nine” wherever that word occurs, there were substituted the word “forty-two”.

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PART III
—cont.
(2) The number of judges of the Court of Session who may be appointed shall be increased to sixteen, and accordingly subsection (1) of section one of the Administration of Justice (Scotland) Act, 1948, shall have effect as if for the word “fifteen” there were substituted the word “sixteen”.

27.—(1) No information with respect to any particular trade or business which has been obtained under or by virtue of this Act shall, so long as that trade or business continues to be carried on, be disclosed without the consent of the person for the time being carrying on that trade or business, unless the disclosure is for the purpose of facilitating the performance of any functions of the Board of Trade or the Registrar under this Act, or under the Monopolies and Restrictive Practices (Inquiry and Control) Act, 1948, or for the purposes of, or of any report of, any proceedings before the Restrictive Practices Court or any other legal proceedings, whether civil or criminal, under this Act or arising out of the carrying of this Act into effect.

(2) Nothing in this section shall be construed as limiting the particulars which may be entered or filed in, or may be made public as part of, the register under Part I of this Act.

(3) Any person who discloses any information in contravention of this section shall be guilty of an offence, and shall be liable on summary conviction to imprisonment for a term not exceeding three months, or to a fine not exceeding one hundred pounds or to both such imprisonment and such a fine, or on conviction on indictment to imprisonment for a term not exceeding two years or to a fine, or to both such imprisonment and a fine.

28. Anything required or authorised by or under this Act to be done by, to or before the Board of Trade may be done by, to or before the President of the Board, any Minister of State with duties concerning the affairs of the Board, any Secretary, Under-Secretary, or Assistant Secretary of the Board, or any person authorised in that behalf by the President.

29.—(1) There shall be defrayed out of moneys provided by Parliament—

(a) any sums required for the payment of remuneration or expenses of the Registrar (including remuneration payable to Assistant Registrars or other officers or servants of the Registrar);

(b) any sums required for the payment of the remuneration of appointed members of the Restrictive Practices Court or of expenses of that Court (including remuneration of officers and servants of the Court);
(c) any sums required for the payment of pensions, allowances or gratuities, or contributions or other payments towards provision for pensions, allowances or gratuities, in respect of persons who have held office as Registrar or as appointed member of the said Court;

(d) any increase attributable to this Act in the sums payable out of moneys provided as aforesaid under the Superannuation Acts, 1834 to 1950.

(2) There shall be defrayed out of the Consolidated Fund and out of moneys provided by Parliament respectively any increase attributable to section twenty-six of this Act in the sums required to be so defrayed.

(3) Any fees received by the Registrar under this Act shall be paid into the Exchequer.

15 30.—(1) In this Act the following expressions have the interpretation, meanings hereby respectively assigned to them, that is to say:

“enactment” includes an enactment of the Parliament of Northern Ireland;

“goods” includes ships and aircraft, minerals, substances and animals (including fish), and references to the production of goods include references to the getting of minerals and the taking of such animals;

“inter-connected bodies corporate” means bodies corporate which are members of the same group, and for the purposes of this definition “group” means a body corporate and all other bodies corporate which are its subsidiaries within the meaning of section one hundred and fifty-four of the Companies Act, 1948;

“price” includes a charge of any description;

“the Registrar” means the registrar appointed under Part I of this Act;

“supply” includes supply by way of lease or hire, and “acquire” shall be construed accordingly.

(2) This Act applies to buildings, structures and other works, and to the construction or carrying out of buildings, structures and other works by contractors, as it applies to goods and the supply of goods.

(3) For the purposes of this Act a person shall not be deemed to carry on a business within the United Kingdom by reason only of the fact that he is represented for the purposes of that business by an agent within the United Kingdom.
(c) any sums required for the payment of pensions, allowances or gratuities, or contributions or other payments towards provision for pensions, allowances or gratuities, in respect of persons who have held office as Registrar or as appointed member of the said Court;

(d) any increase attributable to this Act in the sums payable out of moneys provided as aforesaid under the Superannuation Acts, 1834 to 1950.

(2) There shall be defrayed out of the Consolidated Fund and out of moneys provided by Parliament respectively any increase attributable to section twenty-six of this Act in the sums required to be so defrayed.

(3) Any fees received by the Registrar under this Act shall be paid into the Exchequer.

30.—(1) In this Act the following expressions have the Interpretation, meanings hereby respectively assigned to them, that is to say:—

“enactment” includes an enactment of the Parliament of Northern Ireland;

“goods” includes ships and aircraft, minerals, substances and animals (including fish), and references to the production of goods include references to the getting of minerals and the taking of such animals;

“inter-connected bodies corporate” means bodies corporate which are members of the same group, and for the purposes of this definition “group” means a body corporate and all other bodies corporate which are its subsidiaries within the meaning of section one hundred and fifty-four of the Companies Act, 1948;

“price” includes a charge of any description;

“the Registrar” means the registrar appointed under Part I of this Act;

“supply” includes supply by way of lease or hire, and “acquire” shall be construed accordingly.

(2) This Act applies to buildings, structures and other works, and to the construction or carrying out of buildings, structures and other works by contractors, as it applies to goods and the supply of goods.

(3) For the purposes of this Act a person shall not be deemed to carry on a business within the United Kingdom by reason only of the fact that he is represented for the purposes of that business by an agent within the United Kingdom.
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Part IV—cont.

Application to Northern Ireland.

(4) Any reference in this Act to any other enactment is a reference thereto as amended, and includes a reference thereto as extended or applied, by or under any subsequent enactment, including this Act.

31.—(1) It is hereby declared that this Act extends to Northern Ireland, but the Parliament of Northern Ireland shall have the same power to pass Acts with respect to any matter as they would have had if this Act had not passed and, in the event of any inconsistency between any Act of the Parliament of Northern Ireland duly passed after the passing of this Act and any provision of or any order or other instrument under this Act, the Act of the Parliament of Northern Ireland shall, in Northern Ireland, prevail.

(2) In the application of this Act to Northern Ireland “summary conviction” means conviction in accordance with the enactments (including enactments of the Parliament of Northern Ireland) for the time being in force in Northern Ireland relating to summary jurisdiction.

32.—(1) This Act may be cited as the Restrictive Trade Practices Act, 1956.

(2) This Act (except section twenty-two) shall come into force on the day of nineteen hundred and fifty-six.
SCHEDULE

SUPPLEMENTARY PROVISIONS AS TO PROCEEDINGS OF RESTRICTIVE PRACTICES COURT

1. The Court may sit at such times and in such place or places in any part of the United Kingdom as may be most convenient for the determination of proceedings before it.

2. The central office of the Court shall be in London; and the Court when sitting in public in London shall sit at the Royal Courts of Justice, or at such other place as the Lord Chancellor may from time to time appoint.

3. The Court may sit either as a single court or in two or more divisions concurrently and either in private or in open court.

4. For the hearing of any proceedings the Court shall consist of a judge, who shall be president, and at least two other members.

5. On the hearing of any proceedings, the opinion of the judge or judges sitting as members of the Court upon any question of law shall prevail; but except as aforesaid the decision of the Court shall be taken by all the members sitting, or, in the event of a difference of opinion by the votes of the majority of those members, and, in the event of an equality of votes, the president shall be entitled to a second or casting vote.

6. The judgment of the Court in any proceedings shall be delivered by the president.

7. The decision of the Court on a question of fact shall be final; but an appeal shall lie on any question of law from any decision or order of the Court—

(a) in the case of proceedings in England and Wales or in Northern Ireland, to the Court of Appeal;

(b) in the case of proceedings in Scotland, to the Court of Session.

8. Any appeal under the last foregoing paragraph to the Court of Session shall be by way of stated case.

9. The Court shall not have power to award any sum by way of costs to any party to proceedings before it.

10. Subject to the provisions of this Schedule the Court shall—

(a) for the purposes of proceedings in England and Wales or in Northern Ireland, have the same powers, rights, privileges and authority and observe the same practice with regard to the right of audience as a judge of the High Court;

(b) for the purposes of proceedings in Scotland have the same powers, rights, privileges and authority and observe the same practice with regard to the right of audience as a judge of the Court of Session.

11. No person shall be punished for contempt of the Court except by or with the consent of a judge who is a member of the Court.
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To provide for the registration of certain restrictive trading agreements, and for the prohibition of such agreements when contrary to the public interest; to prohibit the collective enforcement of conditions regulating the resale price of goods, and to make further provision for the individual enforcement of such conditions by legal proceedings; to amend the Monopolies and Restrictive Practices Acts, 1948 and 1953; to provide for the appointment of additional judges of the High Court; and of the Court of Session; and for other purposes connected with the matters aforesaid.

CCCLXXI—K (7)

10th February, 1956
FAMILY ALLOWANCES (AMENDMENT) BILL

Memorandum by the Minister of Pensions and National Insurance

At the suggestion of the Lord Privy Seal, I am circulating particulars of the Family Allowances (Amendment) Bill, and the argument in favour of its early introduction.

A. OBJECTS OF THE BILL

2. The Bill has seven clauses of which three are substantive and the rest consequential or formal. Its main object is to extend the payment of family allowances for children at school up to their 10th birthdays, with a similar extension for apprentices.

The present position is that family allowance stops at the normal school-leaving age (15) except where the child continues at school or is an apprentice, when the allowance is paid up to the 31st July following the 16th birthday.

3. In addition, the Bill will carry out Parliamentary pledges to extend the age to 16 for handicapped children who cannot go to school.

4. It will legalise an existing local authority practice of allowing children committed to care to go home for trial periods, and it will provide family allowances for such periods. (This was part of an otherwise unacceptable Private Member's Bill which Mr. John Tilney introduced in January, 1955, and later agreed to withdraw).

5. Finally, the Bill will remove an unfortunate limitation on our powers to reach reciprocal agreements with other countries.

6. The reasons why it is in my view important to proceed with this Bill this session are:

   (a) because we have repeatedly committed ourselves to doing so;

   (b) it will bring relief to an important section of the community who are either keeping their children voluntarily at school or fitting them for skilled work by apprenticing them to a trade.
B. HISTORY

7. The history of the matter is set out below.

8. The Conservative Party's Election Manifesto, which was published in April, 1955, included the following reference in the section on "Education": "We accept the case that family allowances should be paid as long as a child is at school".

9. The Cabinet on 2nd June, 1955, agreed that certain Bills, including the Family Allowances Bill, should constitute the main features of the legislative programme for the present session (C.M.(55) 11th Conclusions, Minute 4).

10. The Queen's Speech at the Opening of Parliament (9th June, 1955) said "A Bill will be laid before you to extend the period during which family allowances are payable for children who remain at school". (Hansard, Col. 44).

11. During the Debate on the Address, Dr. Edith Summerskill referred to the Government's promise in The Queen's Speech and she and other Members asked for the clarification of certain points. In reply Mr. Peake, as he then was, stated that the Government had in mind that the age limit should be raised to 18, and that "certainly we are going to make some provision in the Bill for handicapped children, in respect of whom I have given undertakings previously in the House*... . . . .
He went on, "We shall prepare our proposals and the House will see these just as soon as the Bill can be introduced. I cannot, however, hold out any hope of it being introduced before we adjourn for the summer recess... ", (Hansard, Col. 447).

12. On 5th July Mr. Peake put his proposals before the Home Affairs Committee (H.P.(55) 25). These were approved by the Committee on 8th July (H.P.(55) 5th Meeting, Minute 3), and he was authorised to prepare the necessary legislation. On 15th July the Cabinet invited the Ministers concerned "to continue their efforts to ensure that the Family Allowances Bill was introduced before Parliament rose for the summer recess". (C.M.(55) 22nd Conclusions, Minute 7).

13. In the Debate on Economic and Financial Policy (31st October, 1955) the Prime Minister said:-

"Now about the question which the
rt. hon. Gentleman (Mr. Herbert Morrison)
has asked about the various undertakings we
have given and where we stand in respect of
them ...... Extension of family allowances,
as long as the child is at school, that
stands ...... " (Hansard, Col. 799).

14. On 4th July, 21st November and 5th December, 1955, Parliamentary Questions were asked about handicapped children or those staying at school after 16. (Hansard, Cols. 746, W. 74 and W. 16). In his replies Mr. Peake referred to his statement in the Debate on the Address and in one instance to the Prime Minister's statement on 31st October also.

+ Notably in reply to Questions from Dr. King (31.5.54), Mr. J.E. Hynd (21.2.55) and Mr. Oliver (14.3.55).
15. Generally I would add that the Bill (with the possible exception of the Agriculture (Safety, Health and Welfare Provisions) Bill) was the major measure of social legislation included in The Queen's Speech, and that my Department has received a considerable amount of correspondence from M.P.'s and others which shows that the measure is eagerly awaited by many parents.

C. COST

16. The immediate cost to the Exchequer is not likely to exceed £2 millions with a further £1½ million on the National Insurance Funds for dependent children and widowed mothers. Since the Bill was approved by the Legislation Committee the Government Actuary has been able to make a closer estimate of the future cost to those Funds and is now of the opinion that it will reach £1½ millions in 25 years' time (instead of £2½ millions in 15-20 years' time).

D. DATE OF OPERATION

17. In order to prevent anomalies the change with respect to family allowances should come into operation on 1st August, that is on the day following the date (31st July) on which a number of children would otherwise cease to be eligible for allowances.

J. A. D.-C.

Ministry of Pensions and National Insurance,
W.C.2.

11th February, 1956.
13th February, 1956

CABINET

THE 10s. WIDOW

Memorandum by the Minister of Pensions and National Insurance

On 8th February the Cabinet invited me "to circulate a memorandum containing a representative selection of public statements made by members of the Government or their supporters on this matter" (C.M. (56) 9th Conclusions, Minute 6).

2. The story begins with the Coalition Government's White Paper. The relevant passage is:

"Women already married at start of new scheme to men insured under existing scheme. Women in this category who become widows will be eligible for the benefits of the new scheme ... if they have the qualifications for those benefits ... If, however, they have not these qualifications but the contribution conditions / that is, of the old scheme/ are satisfied, they will be eligible for a pension of 10s. a week, that is, the equivalent of the widow's pension to which they would have been entitled under the existing scheme."

This passage is reproduced in paragraph 56 of the National Insurance Advisory Committee's Report.

3. The Campaign Guide circulated by the Conservative and Unionist Central Office to candidates at the General Election, 1955, refers to this matter under the heading "Matters under Review" on page 218. Apart from a purely historical and factual description of the position and its inclusion under sub-head (i) of "Questions under Review", the only relevant words are "this question of the 10s. widow's pension, which is now under review, is bound up with the changes in the provision for widowhood brought about by the National Insurance Act, 1946".

4. At the Party Conference at Bournemouth in October the then Minister of Pensions said on this subject "this is a complicated subject but I am confident that with the help of my Advisory Committee it will be possible to make revisions in the structure of the scheme for widows' pensions which will improve upon the plan adopted in 1946".

5. The General Purposes Committee of the National Union of Conservative and Unionist Associations have received during recent months resolutions for an increase in this pension from the Manchester Women's Conference and the Northern Area Women's Conference and also from the Newcastle West Executive Council.
6. Neither the Central Office nor my Department are able to trace any reference at the General Election to this subject by any senior member of the Government, though Government supporters who are quoted as having spoken strongly in favour of an increase include Colonel Sir Alan Gomme-Duncan and Mr. J. J. Astor.

7. During the passage of the 1954 National Insurance Bill, however, the then Minister of Pensions after speaking of the reference of this matter to the National Insurance Advisory Committee, concluded by saying that his statement was one "which I trust will be understood to be a sympathetic one". During the passage of the same Bill the then Minister of Health referred to this and said "the very sympathetic reply which was given to the Committee last night about the question of the 10s. widow should cover this matter (the 20s. industrial injuries widow) as well".

8. In the last two years a very considerable number of Government supporters, one or two of whom have become Junior Ministers, have pressed the claim of the 10s. widow for an increase by way of Parliamentary Question or speech. These include Mr. J. N. Browne, Mr. Ridsdale, Mr. Fort, Mr. Kenneth Thompson, Colonel McKibbin, Captain Pilkington, Mr. Richard Wood, Brigadier Clarke, Mr. Gower, Commander Marshall, Sir Roland Robinson, Mr. Simon and Dame Irene Ward. There is at present strong support for an increase among the members of the Parliamentary Health and Social Security Committee.

9. I may add by way of comment that pressure on this subject seems to have developed very substantially since the General Election. For the information of my colleagues I would also add that I understand a petition on behalf of these ladies is to be presented to Parliament this week by Sir Robert Boothby.

J. A. B. C.

Ministry of Pensions and National Insurance,
W.C.2.

13th February, 1956.
14th February, 1956

CABINET

RESTRICTIVE TRADE PRACTICES BILL

Note by the Chancellor of the Exchequer

I have observed the points made by the Lord Chancellor in paragraph 10 of C.P.(56) 34 relating to procedure under the Restrictive Practices Bill when enacted, and in particular to the matter of Parliamentary responsibility.

2. I am in agreement with what is being done with the object of making the conduct and presentation of the public interest in cases before the Restrictive Practices Court as independent as possible of political control or Parliamentary discussion. But I think it might be helpful if I were to indicate what I think the position is in relation to Parliamentary proceedings and Questions.

3. If the Bill is enacted as drafted, there are various kinds of possible Parliamentary proceedings which will arise:

(a) Questions relating to the appointment of the Registrar, e.g., the selection of the individual, the conditions of service etc. I imagine that the Prime Minister might well feel that he should take these. But equally I would think it inappropriate that he should be asked to accept responsibility beyond this very limited field.

(b) Questions relating to the "housekeeping" of the Registrar's organisation, e.g., numbers of staff, their conditions, etc. I contemplate that the Registrar will be financed from a separate Vote of which he will be Accounting Officer. It would be reasonable that Questions in this category should be answered by the Financial Secretary to the Treasury.

(c) General questions relating to the work of the Registrar or to the functions of the Registrar in relation to Court proceedings.

It seems to me that all questions relating to registration which under Clause 7 of the draft Bill are primarily the concern of the Board of Trade ought to be answered by Board of Trade Ministers. Thus, it would be
natural for them, for instance, to answer questions about the number and categories of agreements on the Register.

It may be that the scope for questions about the functions of the Registrar in relation to Court proceedings will be very limited. But so far as such questions do appear on the Order paper, it seems to me that it would be appropriate for the President of the Board of Trade to answer them even though the answer may be to point to the independent status of the Registrar and to decline responsibility.

4. I am strengthened in my conviction that these propositions are right by considering what ought to happen in the event of other Parliamentary proceedings, e.g., a Supply day for discussion of the working of the whole machinery, perhaps particularly the pace at which it was functioning. It seems to me that it would be natural and necessary for Board of Trade Ministers to speak for the Government (perhaps with the assistance of the Law Officers) on such an occasion. If that is so, it is an added reason why they should answer such general questions as may be asked other than those mentioned at 3(b) above.

H.M.

Treasury Chambers, S.W.1.

13th February, 1956.
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CP (56) 38

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(Signed)
14th February, 1956

CABINET

SALE OF AIRCRAFT AND AN AIRCRAFT CARRIER TO ARGENTINA

Memorandum by the Secretary of State for Foreign Affairs

The Argentine Air Force are showing a keen interest in acquiring Shackleton and Canberra aircraft, and the manufacturers are anxious to know whether they will be allowed to deliver if they can secure the orders. It has in recent years been our policy to refuse to supply Argentina with aircraft capable of being used against us in the Falkland Islands or Falkland Islands Dependencies, but to allow the sale of small aircraft which could not harm us. Thus in 1954 we were ready to supply helicopters for crop spraying and in 1955 Sea Furies for the Navy, but not larger naval helicopters or Shackletons. We have also discouraged approaches about the purchase of an aircraft carrier. The position has now changed both in Argentina and in the Antarctic, and I think that it is time to reconsider our attitude.

Supporting arguments

2. It is true that both Shackleton and Canberra aircraft might be useful to Argentina in the Antarctic, and that Canberras could also in theory be employed offensively against the Falkland Islands. By allowing the sale of such aircraft we could thus help Argentina to further her claims and illegal trespass upon our territory. This could be considered inconsistent with our proclaimed policy of maintaining our position in the Antarctic, and might be criticised in Parliament and elsewhere.

3. On the other hand the following factors must be borne in mind:

(i) Since the fall of Peron we have a more friendly régime in Argentina, which, while maintaining its Antarctic claims, is behaving less aggressively about them and shows signs of wishing for an eventual accommodation with us. No fresh Argentine bases are being established this season in the Antarctic.

(ii) Whereas in 1954 we still contemplated the forcible eviction of the Argentines from our Sector, we have now abandoned this idea and have tacitly accepted that they have come to stay (although we still hope to reduce the extent of their encroachment).

(iii) If we refuse to allow the order, or take too long to make up our mind, the Argentine Air Force will almost certainly obtain equally suitable aircraft from the United States, who are eager to supply them.
(iv) It is important to encourage Argentine interest in Shackletons and Canberras, if we wish to maintain our position in the market. Economic difficulties may prevent the placing of a large order straight away; but future orders are likely to follow the first and, if British manufacturers cannot compete now, we must expect the Argentine Air Force, which is now predominantly British equipped, to go increasingly American.

4. In all the circumstances I doubt whether political or strategic considerations any longer justify us in foregoing the long-term economic gain which we can expect to achieve by securing these orders for British industry. I therefore favour a lifting of the ban so far as Canberras and Shackletons are concerned. Some of the same considerations apply with regard to the sale of an aircraft carrier, in which the Argentine Navy continues to show interest; but there is not the same urgency here, since the Americans are not at present competing and it is unlikely that the Navy can yet undertake such a large financial commitment. It seems best to postpone a decision about the aircraft carrier until after the forthcoming Antarctic talks with the State Department and interested Commonwealth Governments in Washington, which should help to clarify the general position.

Conclusions

5. I invite my colleagues to agree to the following:

(i) Messrs. A.V. Roe and the English Electric Company should be allowed to seek orders from the Argentine Air Force for Shackleton and Canberra aircraft and should be told that Her Majesty's Government will place no obstacle in the way of delivery.

(ii) The position as regards the sale of an aircraft carrier to Argentina should be reconsidered after the Antarctic talks in Washington.

S. L.

Foreign Office, S.W.1.

13th February, 1956.
CONFIDENTIAL
C.P. (56) 39
COPY NO. 47
14th February, 1956

CABINET

NORTHERN IRELAND PARLIAMENT: DISQUALIFICATION

Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs

On 11th January I informed my colleagues of the possibility that several Members of the Parliament of Northern Ireland might be disqualified. I explained that I was consulting the Attorney-General, that an enquiry would be conducted by a Select Committee at Stormont, and that I would report further to the Cabinet (C.M. (56) 3rd Conclusions, Minute 1).

2. I now confirm that three Members of the House of Commons (including the former Speaker) and one Senator were holding offices or profit under the Crown at the time of their election. By Section 10(2) of the Government of Ireland Act, 1920, the House of Commons disqualification law for the time being in force at Westminster applies also to both Houses of the Northern Ireland Parliament. The four Members are accordingly disqualified.

3. The facts were elicited by Select Committees of the two Houses at Stormont, and copies of their reports are attached. Each House has passed a Resolution -

   (i) declaring the Member or Members concerned to have been incapable of being returned; and

   (ii) agreeing with its Committee's recommendation that representations should be made immediately to us, inviting us to introduce legislation at Westminster indemnifying these Members and validating their elections.

The reason for this recommendation is that the Northern Ireland Parliament has no power to legislate on the subject of the qualifications and disqualifications of its Members.

4. I am advised that under Section 18(1) of the Act of 1920 the Senate and House of Commons of Northern Ireland have power to pass Resolutions declaring elections void (or seats vacant). This they have done, and it follows that the United Kingdom Parliament is not concerned with whether the Members concerned are disqualified but only with the questions of indemnification and validation. It therefore seems neither necessary nor appropriate to refer the matter to a Select Committee here. There may well be a demand for one, but I suggest that we should have good grounds for resisting it.
5. The need for legislation at Westminster must of course be established and I suggest that this can best be done by means of a short White Paper incorporating the Northern Ireland Select Committee reports along with copies of the Resolutions of the two Houses. A draft is at Annex A. It seems advisable for a statement on the lines of Annex B to be made to Parliament when the proposed White Paper is presented. This might conveniently form part of the next Business Statement.

6. I seek the authority of the Cabinet for:

(i) the presentation of a White Paper as at Annex A;

(ii) the making of a statement to Parliament as at Annex B;

(iii) the preparation of legislation to indemnify the disqualified Members and to validate their elections.

G.L.L.-G.

Home Office, S.W.1.

13th February, 1956.
In their report of 12th July, 1955, on the cases of Mr. J.C. George and Sir Roland Jennings, the House of Commons Select Committee on Elections -

"noted the fortuitous way in which the cases they have considered have been brought to notice. They cannot overlook the possibility that there may be, amongst present Members of the House of Commons, some who might be found to have unexpected technical disabilities. They consider that all Government Departments should at once examine their lists of public appointments in order to determine whether there may be other Members who should be warned that there may be doubt about the validity of their election." (House of Commons (1955) No. 35, paragraph 11.)

2. Pursuant to this recommendation, Treasury Circulars were sent to all United Kingdom Government Departments requesting them to examine the lists of public appointments within their jurisdiction and to verify that these did not include the names of any Members of the House of Commons at Westminster or of the Northern Ireland Senate or House of Commons. No fresh cases of disqualification in this country were disclosed by this enquiry, but as a result of a similar check carried out by the Government of Northern Ireland it was discovered that three Members of the Northern Ireland House of Commons (including the former Speaker) and one Senator might be disqualified.

3. The Senate was recalled, therefore, on 17th January, 1956, to enable a statement to be made by the Prime Minister. Both the Senate and the House of Commons then appointed Select Committees to consider the position of their Members. The Select Committees reported on 7th February, and copies of their reports are annexed; these were considered by the respective Houses on 8th February whereupon the following Resolutions were passed:

The Senate

"That Lt.-Colonel H.S.C. Richardson being returned as a Member of the Senate, having at the time of his election held an office of profit under the Crown, was incapable of being returned as a Member of this House, and that this House agrees with the recommendations contained in the Report of the Select Committee on Elections,"

The House of Commons

"That Capt. the Rt. Hon. Sir Norman Stronge, Bart., being returned as a Member for Mid-Armagh, the Rt. Hon. Sir William McCleery, being returned as a Member for North Antrim, and Dr. Eileen Hickey, being returned as a Member for Queen's University, having
at the time of their election held certain offices of profit under the Crown, were incapable of being returned as Members of this House, and that this House agrees with the recommendations contained in the Report of the Select Committee on Elections."

4. The Parliament of Northern Ireland, having no power to legislate on the subject of the qualifications and disqualifications of its Members, the Government of Northern Ireland have made representations to Her Majesty's Government in the United Kingdom (as recommended by the Select Committee and agreed by the Senate and House of Commons of Northern Ireland) that indemnifying and validating legislation should be introduced at Westminster. Her Majesty's Government note that none of those concerned applied for or received any remuneration or expenses whatsoever from the offices in question, and that the respective Select Committees were satisfied that all the Members acted in all good faith and without any knowledge of the legal complexities involved.

5. In these circumstances Her Majesty's Government have decided to introduce legislation at Westminster as soon as possible to indemnify the disqualified Members against the penalties recoverable from them by common informer actions, and to validate their elections.
I have to inform the House that following the receipt of representa-
tions from the Government of Northern Ireland concerning the disqualifica-
tion of three Members of the Northern Ireland House of Commons
(including the former Speaker) and one Senator, Her Majesty's Govern-
ment have decided to introduce legislation as soon as possible to
indemnify those concerned against common informer penalties and to
validate their elections.

2. Legislation at Westminster is necessary because the Parliament of
Northern Ireland has no power to legislate on the subject of the
qualifications and disqualifications of its Members.

3. The facts will be laid before Parliament in the form of a White
Paper, which will be published very shortly. The White Paper will
incorporate the reports of Select Committees of the Northern Ireland
House of Commons and Senate and also the texts of Resolutions passed
by the two Houses declaring the disqualified Members to have been
incapable of being returned and proposing that representations should be
made to Her Majesty's Government.
REPORT
FROM THE SELECT COMMITTEE ON
ELECTIONS (SENATE)

TOGETHER WITH THE
PROCEEDINGS OF THE COMMITTEE
MINUTES OF EVIDENCE AND APPENDICES

Ordered by The Senate to be Printed
Tuesday, 7th February, 1956

Belfast
HER MAJESTY'S STATIONERY OFFICE
PRICE 1s 6d NET
RESOLUTIONS OF THE SENATE

THURSDAY, 19th JANUARY, 1956

Elections Select Committee.—It was moved by Lt.-Col. Gordon, That a Select Committee be appointed to consider whether the election of the following Senator, that is to say:

Lt.-Col. Henry Sacheverell Carleton Richardson,
is invalid on the ground that at the time of his election he held an office or place of profit under the Crown within the meaning of Section 24 of the Succession to the Crown Act, 1707; and to report whether such Member appears on that account to have been incapable of election to this House, and, if so, what representations should be made to Her Majesty's Government.

That the Committee do consist of five Members.
That the following Senators be named as members of the Committee:— Sir George Clark, Mrs. Greeves, Sir Wilson Hungerford, Mr. Pollock and Dr. Quin.
That three be the quorum of the Committee.
That the Committee have power to send for persons, papers and records.
That the Committee have leave to sit notwithstanding any adjournment of the House.
The same was agreed to.

WEDNESDAY, 25th JANUARY, 1956

Elections Select Committee.—Chairman's Report.—Sir Wilson Hungerford reported to the House, That he had been directed by the Elections Select Committee to report to the House that Colonel Richardson will be unable to appear as a witness before the Committee sitting in Parliament Buildings owing to illness, and as his evidence is essential to enable the Committee to reach any conclusion regarding his eligibility to sit as a Senator, the Committee have instructed me to ask the Senate for permission for the Committee, or a quorum thereof, to sit outside the precincts of the House.

It was accordingly moved by Sir Wilson Hungerford, “That the Senate permit the Committee, or a quorum thereof, to meet at the residence of Colonel Richardson at Rossfad, Ballinamallard, Co. Fermanagh, at a time and date to be arranged for the purpose of hearing any evidence which Colonel Richardson may wish to give to the Committee.”

The same was agreed to.
RESOLUTIONS OF THE SENATE

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The same was agreed to.
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PROCEEDINGS OF THE
COMMITTEE

FIRST DAY
FRIDAY, 20th JANUARY, 1956

Members Present:

SIR GEORGE CLARK, BART.  SIR WILSON HUNGERFORD
MRS. GREEVES  MR. POLLOCK
DR. QUIN

SIR WILSON HUNGERFORD was called to the Chair.


In attendance:

Mr. F. A. L. Harrison, Q.C., Counsel to the Speakers.

SECOND DAY
TUESDAY, 24th JANUARY, 1956

Members Present:

SIR GEORGE CLARK, BART.  SIR WILSON HUNGERFORD
MRS. GREEVES  MR. POLLOCK
DR. QUIN

SIR WILSON HUNGERFORD in the Chair.

Witness examined:

H. Anderson, Esq., Assistant Secretary, Ministry of Labour and National Insurance.

In attendance:

Mr. F. A. L. Harrison, Q.C., Counsel to the Speakers.
THIRD DAY
THURSDAY, 26th JANUARY, 1956

Members Present:

MRS. GREEVES  SIR WILSON HUNGERFORD
MR. POLLOCK

SIR WILSON HUNGERFORD in the Chair.

Witness examined:

Lt.-Col. Henry Sacheverell Carleton Richardson, O.B.E., D.L.

FOURTH DAY
MONDAY, 30th JANUARY, 1956

Members Present:

SIR GEORGE CLARK, BART.  SIR WILSON HUNGERFORD
MRS. GREEVES  MR. POLLOCK

DR. QUIN

SIR WILSON HUNGERFORD in the Chair.

Witnesses examined:

Major J. W. McConnell, C.B.E., Secretary.
H. Anderson, Esq., Assistant Secretary, Ministry of Labour and National Insurance.

FIFTH DAY
WEDNESDAY, 1st FEBRUARY, 1956

Members Present:

SIR GEORGE CLARK, BART.  SIR WILSON HUNGERFORD
MRS. GREEVES  MR. POLLOCK

DR. QUIN

SIR WILSON HUNGERFORD in the Chair.

In attendance:


Consideration and Adoption of the Draft Report.
REPORT

Your Committee, appointed to consider whether the election of Lieut.-Colonel Henry Sacheverell Carleton Richardson as a member of the Senate is invalid on the ground that at the time of his election he held an office or place of profit under the Crown within the meaning of Section 24 of the Succession to the Crown Act, 1707; and to report whether such Member appears on that account to have been incapable of election to this House, and, if so, what representations should be made to Her Majesty’s Government.

Have considered the matters to them referred and have agreed to the following Report:

Your Committee have held five meetings and have examined the Attorney-General, Major J. W. McConnell, Secretary, and Mr. H. Anderson, Assistant Secretary, Ministry of Labour and National Insurance, and Lieut.-Colonel Richardson, the Member whose election to the Senate was under consideration. Lieut.-Colonel Richardson’s evidence was taken at “Rossfad,” Ballinmallard, County Fermanagh, by leave of the Senate under and by virtue of a Resolution duly resolved on Wednesday, 25th January, 1956. Memoranda were also submitted by the Attorney-General and the Ministry of Labour and National Insurance.

Your Committee have also considered the Reports of the Select Committees of the House of Commons at Westminster which were set up to consider the cases of Mr. Charles Alfred Howell and Mr. Charles Beattie.

Your Committee are advised that the law on the subject of Disqualification may be summed up as follows:

Section 24 of the Succession to the Crown Act, 1707, provides that no person having an office of profit under the Crown shall be capable of being elected, or of sitting or voting as a Member of the House of Commons.

In 1703 the Irish Parliament passed the House of Commons Disqualification Act (Ireland), 1793, Section one of which imposed a similar disqualification in respect of membership of the Irish House of Commons.

The House of Commons (Disqualifications) Act, 1801, Section 1, provided that all persons disabled from or incapable of being elected, sitting or voting in the House of Commons of any Parliament of Great Britain should be disqualified from being elected or sitting or voting in the House of Commons of any Parliament of the United Kingdom as Members for Great Britain. Section 2 provided similarly that all persons disqualified from being elected, sitting or voting in the House of Commons of any Parliament of Ireland should be disqualified from being elected, sitting or voting in the House of Commons of any Parliament of the United Kingdom as Members for Ireland. Section 3 provided that persons disqualified by British Statutes should not be enabled to sit and vote in the House of Commons of the Parliament of the United Kingdom as Members for Ireland nor should persons disqualified by Acts of the Parliament of Ireland be enabled to sit or vote in the Houses of Parliament of the United Kingdom as Members for Great Britain.

Section 18(2) of the Government of Ireland Act, 1920, applied the law for the time being in force relating to the qualification and disqualification...
of Members of the Commons House of Parliament of the United Kingdom to
the Members of the Senate and House of Commons of Northern Ireland.

Lieut.-Colonel H. S. C. Richardson was appointed by the then Minister of
Labour and National Insurance in December, 1945, to be the Chairman of
a district advisory committee set up under Section 17 of the Disabled Persons
(Employment) Act (Northern Ireland), 1945, and he continued in this appoint­
ment until he resigned on the 16th January, 1956.

Lieut.-Colonel H. S. C. Richardson was first elected to the Senate of
the Parliament of Northern Ireland on 29th November, 1949, and was re­
elected on 16th June, 1953.

The Attorney-General informed your Committee that he would feel
constrained by the authority of precedents established in similar cases to
advise that if Lieut.-Colonel Richardson was appointed as Chairman of
the Enniskillen District Advisory Committee so that the emoluments attached
to the appointment under paragraph 4 of the Second Schedule to the Disabled
Persons (Employment) Act (Northern Ireland), 1945, became payable, then,
notwithstanding the fact that no such emoluments were ever paid to Lieut-
Colonel Richardson, the appointment was in his opinion an office of profit
under the Crown within Section 24 of the 1707 Act.

Your Committee, having carefully considered the evidence of Lieut-
Colonel Richardson and the other witnesses called, including that of the
Attorney-General, are satisfied that Lieut.-Colonel Richardson was appointed
and acted as Chairman of the Enniskillen District Advisory Committee and
that during part of this period he was also a Member of the Senate. Your
Committee are also satisfied that this office constitutes an Office of Profit
under the Crown within the meaning of the relevant Statutes and their opinion
is reinforced by recent decisions in similar cases at Westminster.

Your Committee, in view of the advice of the Attorney-General, conclude
therefore that at the time of his election to the Senate Lieut.-Colonel
Richardson held an Office of Profit under the Crown and his election was
therefore invalid.

Your Committee are also satisfied that Lieut.-Colonel Richardson acted
in all good faith and without any knowledge of the legal complexities involved,
and that at no time did he apply for or receive any remuneration or expenses
of any kind whatsoever during his Chairmanship and that when the question
of his disqualification was officially brought to his attention in a letter from
the Prime Minister he immediately tendered his resignation as Chairman
and Member of the Committee and has not attended the Senate nor any
committees thereof from that date.

Your Committee therefore strongly recommend that representations
should be made immediately through the usual channels to Her Majesty's
Government to introduce the necessary legislation to indemnify Lieut.-Colonel
Richardson and to validate his election.
The Elections Select Committee met on Friday, 20th January, 1956, at Stormont.

There were present:—Sir George Clark, Mrs. Greeves, M.B.E., Sir Wilson Hungerford, Mr. Pollock, and Dr. Quin, C.B.E., LL.D.

Right Hon. J. E. Warnock, Q.C., D.L., M.P., Attorney-General, and Major F. A. L. Harrison, Q.C., M.B.E., Counsel to the Speakers and Examiner of Petitions for Local Bills, were in attendance.

Dr. Quin: By virtue of his position of Deputy Speaker, I propose that Sir Wilson Hungerford take the Chair.

Mr. Pollock: I second that.

Agreed.

The Chairman: Thank you very much. I appreciate the compliment. Before we really get down to business, I should like to say that I know that the Members of this Committee will not think that I am casting any reflection on any of them when I say that I am very sorry that there are no members of the Opposition on this Committee. We all heard yesterday the reasons why they could not see their way to act. I have been on a good many Committees on which members of the Opposition have sat, and I have always found them very co-operative and very helpful with their suggestions. I feel that if we had had one of them here to-day he would have given us much help. As far as the fact-finding duty of this Committee is concerned, I feel that in that at any rate we would have had their support. As I say, I am very sorry they are not here, but they have made their position clear. We heard from the Leader of the Senate what the legal position is, but unfortunately, as we all know, the acoustics in the House are not very good, and Members on the Back Benches sometimes find it very difficult to follow the proceedings. Therefore, it is very kind of the Attorney-General to come here and help us in regard to this matter. Without wasting any more time I would ask the Attorney-General to tell us in layman's language the actual position.

The Attorney-General: I shall try to do so. I have prepared a memorandum, and perhaps it might help the Members to follow it if I gave each of them a copy. (Copies of the memorandum were circulated to the Members.) The statement is as follows:

As this is the first occasion upon which a Committee of the Senate has been called upon to consider any question of disqualification, perhaps I may be allowed to make a general statement. An Act of Parliament passed 250 years ago, and known as The Succession to the Crown Act, 1707, provided, inter alia, that any person who holds an office of profit under the Crown is incapable of being elected or of sitting as a Member of the House of Commons, and Section 18(2) of the Government of Ireland Act, 1920, provides that the law for the time being in force relating to the qualification and disqualification of the Members of the Commons House of Parliament of the United Kingdom shall, save as otherwise provided by this Act, apply to the Members of the Senate and House of Commons of Northern Ireland.

The Committee will notice that the 1707 Act only referred to the House of Commons. There are other Statutes dealing with the subject, one of 1793 of the old Irish Parliament, and an Act of the new United Kingdom Parliament passed after the Union, but I do not think it is necessary to trouble the Committee with these Statutes. As I see it, the Act of 1707 must be our guide.

It is the effect of the statutory enactments, I think, that any person who holds an office of profit under the Crown is disqualified from membership of the Senate of Northern Ireland. Your principal task is to consider whether Colonel Richardson held such an office.

When questions of this nature have arisen at Westminster in recent years it has been the practice, though not the invariable practice, to appoint a Select Committee to consider and report. These problems do not ordinarily come before the Courts of Law and the precedents to which we must look for guidance are to be found in the records of the proceedings of these Select Committees, their recommendations, and the subsequent actions of Parliament itself.

I would advise this Select Committee to regard such precedents as authoritative, and in reaching conclusions, to be guided by them.

It has been customary for the Law Officers to attend their proceedings, and to endeavour to assist, and almost without exception the Law Officers have stressed the difficulties and complexities of the subject. I fully share this view. It is not easy to interpret a Statute 250 years old in the light of the changed conditions.
In 1945 the Parliament of Northern Ireland passed the Disabled Persons (Employment) Act to make further and better provision for enabling persons handicapped by disablement to secure employment, or work on their own account, and by Section 17 the Ministry of Labour was required to establish a Central Advisory Council charged with the duty of advising and assisting the Ministry in matters relating to the employment or training of disabled persons generally, and such district advisory committees as the Ministry may determine to advise and assist it in relation to such persons in particular districts. Colonel Richardson was duly appointed Chairman of the Advisory Committee for the Enniskillen District in the year 1945.

By the Second Schedule to the Act it was provided that there should be paid out of moneys provided by Parliament to the members of the Advisory Committees such travelling and other allowances, including compensation for loss of remunerative time, as the Ministry with the approval of the Ministry of Finance might determine. The words “such travelling and other allowances, including compensation for loss of remunerative time” are the important words.

I have seen, and I understand you will be furnished with a copy of the memorandum issued by the Ministry of Labour for the information of members of Tribunals and members of Committees under the Disabled Persons (Employment) Act. The memorandum states that service on such bodies is regarded as voluntary and unpaid, and that compensation for loss of earnings is intended only to reimburse to members amounts actually and necessarily lost. You will have the entire memorandum before you.

I am informed by the Ministry of Labour, and you will have evidence of this, that Colonel Richardson has never at any time claimed or been paid any remuneration, allowances or expenses in respect of his appointment.

I think that on the authority of the cases to which I will refer later the Committee should conclude that Colonel Richardson held an office and that he held it under the Crown. But in the circumstances you may be perplexed to know how it could be described as an office of profit. I do not think that the actual receipt of remuneration is necessary to constitute an office one of profit and I think this is established by some recent cases which have been considered by Select Committees at Westminster. I would like to draw your attention to what I think are the two most recent and most relevant cases.

On 1st December, 1954, Mr. Howell, not at that time a Member of Parliament, was appointed to two panels from which are drawn the employees' representatives to sit on Local Tribunals under the National Insurance and National Insurance (Industrial Injuries) Acts. He was not appointed to the Tribunals; he was appointed to the panels from which the persons are selected. He continued to hold these appointments until August, 1955, by which time he had been elected a Member of the House of Commons. Mr. Howell never received any payment. Indeed he never sat on a Tribunal, though he was summoned once and the letter appointing him to the panel expressly stated that no fees were payable, but that expenses on a certain scale were allowed. It is provided, however, in the Statutes themselves that members of Tribunals may be paid such remuneration and such travelling and other allowances as the Minister may with the consent of the Treasury determine. The Select Committee came to the conclusion, after hearing evidence from the Attorney-General, that since under the Statutes remuneration could have been paid if the Minister and the Treasury so determined, Mr. Howell's appointments were offices of profit.

The case of Mr. Charles Beattie was considered by a Select Committee in December last. Mr. Beattie held similar appointments under the two Northern Ireland Acts—National Insurance and National Insurance (Industrial Injuries) Acts, and the Committee was of opinion, following the decision in Howell's case, that these were offices of profit. Under the Crown Mr. Beattie also held an appointment under the National Assistance Act and in the case of this appointment he was entitled to allowances including compensation for loss of remunerative time. The Committee will note that these words are similar to those in the Statute under whose authority Colonel Richardson was appointed. The report on Mr. Beattie's case states that after consideration the Attorney-General expressed the opinion that so far as Mr. Beattie was concerned those words constituted an office of profit.

Sir Donald Somervell, when he was Attorney-General in 1941, stated a principle which appears to have been accepted:

The principle that has been adopted is that if emoluments have ever been attached to the office the fact that emoluments are not received by the particular holder is irrelevant, and in Mr. Beattie's case the present Attorney-General said that where an appointment of any kind was governed by a Statute it was the terms of the Statute and not the terms of any letter of appointment thereunder that had to be construed in deciding whether the appointment was an office of profit.

If the facts are as I have stated, I would feel constrained by the authority of these precedents to advise the Committee that Colonel Richardson held an office of profit under the Crown. I would wish to add this, however. You have not heard the evidence of Colonel Richardson or any one else. If the evidence received does not bear out, or if it varies or contradicts, the facts as given to me, I would, of course, wish to consider the effect of such evidence.
to see whether it would lead me to alter my advice. I shall be available at any time if the Members of the Committee think I can help them in any way. If any Member of the Committee wishes to ask me any questions, either now or after having had more time to consider this memorandum, I am at his or her service.

The Chairman: I am sure every Member of the Committee is most grateful to the Attorney-General for his thoughtfulness in giving each of us a copy of his memorandum, and for setting the facts out so clearly. After what he has told us, I do not think there should be much difficulty in any of the Member's minds, but, taking advantage of his very kind offer to clear up anything that should be doubtful, I would invite Members of the Committee to ask the Attorney-General any questions they may have.

Mr. Pollock: There is just one point. The Attorney-General mentioned an Act of the United Kingdom Parliament passed after the Union. I take it that in these cases cited at Westminster that Act has not been taken into consideration.

The Attorney-General: Not at Westminster. The Committees at Westminster appeared to have regarded, and I think rightly regarded, the 1707 Act as applicable to membership of that House. There was a Select Committee set up in 1941 on Offices or Places of Profit under the Crown, and Sir Donald Somervell at that time drew attention to the way in which the matter had been tied up. In 1707 that Act applied only to the British Parliament, because it was before the Union. When Union became effective and there was one Parliament for the whole of the United Kingdom, the purpose of the 1801 Act was to tie up the legislation, and the British House of Commons now regard the 1707 Act as their guide.

Mr. Pollock: Thank you very much.

The Attorney-General: If you wish, Mr. Pollock, I shall get you the relevant document. I have it here somewhere.

Mr. Pollock: I think it is quite clear. I just wanted an assurance that the 1801 Act has not been taken into consideration at Westminster in the cases which have been mentioned.

The Attorney-General: It has never been referred to. I have no doubt that it was present in the mind of the Attorney-General of the day when he was giving his evidence, because it had to be tied up. You will notice, if I may make an indirect reference to it, on the first page of my Memorandum—I am not going to trouble the Committee with this—I said:

It is the effect of the statutory enactments that any person . . . It was to that that my mind was directed when I dictated the memorandum. It is available in this Report of the Select Committee which I have. Sir Donald Somervell drew attention to it. I shall find it for you in one moment.

Mr. Pollock: I am quite satisfied unless the Chairman would like to see it.

The Attorney-General: May I say that Sir Donald Somervell's minute on this matter is to be found in this Report.

Dr. Quin: On this question of the qualification of a Member of Parliament to sit and vote, is the law here identical with that in Great Britain?

The Attorney-General: I think it is. Assuming that the 1707 Act governs the whole question of qualification and disqualification of Members at Westminster, then I think Section 18 (2) of the Government of Ireland Act provides that the same qualifications and disqualifications apply to the Senate and Commons of Northern Ireland.

Dr. Quin: My reason for asking is that not so many years ago, because he was a clerk in holy orders, the Member of Parliament at Westminster for West Belfast was disqualified. He happened also to be a Member of the House of Commons here but was not disqualified.

The Attorney-General: I am not going to trust my memory, but am I not right in thinking that the reverend gentleman concerned resigned his membership of this House?

The Secretary (Major Thomson): That is quite right.

The Attorney-General: That absolved us from the difficulty of coming to a decision.

Dr. Quin: That is quite correct.

Dr. Quin: I do not think that that took place until some time after he had been disqualified at Westminster.

The Attorney-General: I would venture the opinion that if the reverend gentleman had not resigned his membership of the House then the House would have had to inquire into his eligibility. Having regard to the decision of the Privy Council in that case—it was referred to the Privy Council—I do not think there could be any doubt as to what the result would have been.

The Chairman: I was just consulting the Secretary and I do not think that there was a great lapse of time between the disqualification at Westminster and that Member's resignation from the House of Commons here. As in Parliamentary procedure, that point might require notice to answer.

Dr. Quin: I raised the question as it occurred to me that there might have been some difference which could have affected our consideration of the present matter.

The Attorney-General: The view I have is that we are bound by authority. The United Kingdom Parliament is the supreme
authority. If the United Kingdom Parliament comes to a decision I think it would be a very strong step for a Committee of this House, which is a subordinate Parliament, to ignore or to depart from such a decision. If any subsequent action has to be taken, assuming Colonel Richardson is found by the Committee to be disqualified—on which I express no opinion furthel—any further steps would have to be taken by the supreme Parliament which has already decided, and would stultify itself if it did not follow its own conclusion.

Dr. Quin: I was thinking that it might be an unnecessary procedure to bring Colonel Richardson before the Committee, firstly, to find out if he was a member of the advisory committee, membership of which would invalidate his election to the Senate, and, secondly, as you have already advised, if this particular Act under which he was appointed is one conferring an office of profit under the Crown. That is all we have to decide.

The Attorney-General: As a lawyer I think it is a little difficult ever to come to a decision which imposes almost penal consequences on a man without hearing his own defence. I understand that he is unwell; so I have been told. My own opinion is that if he is available the Committee should certainly hear him.

Dr. Quin: The main point is that either he is or is not a member of the Advisory Committee. If he has been appointed I do not see how our troubling him could do anything for him or for anyone else.

The Chairman: My advice to the Committee would be that we cannot act on hearsay.

Dr. Quin: That is not hearsay.

The Attorney-General: I would go so far as to advise the Committee that if Colonel Richardson can be available within any reasonable period of time the Committee should not seriously consider coming to a conclusion without hearing him.

The Chairman: It would be a serious consideration to arrive at a decision without having heard Colonel Richardson.

The Secretary: I have contacted Colonel Richardson and he is to let me know on Monday morning when he will be available to attend the Committee. I think he is anxious to attend.

The Attorney-General: If he were not available might I suggest—I do not know if there are any Standing Orders dealing with this—if his illness were such that he was not able to attend, that he might submit evidence on affidavit if the Committee were prepared to accept that? But I would not like to see the Committee decide on this issue behind his back, so to speak. I do not know what defence he may have.

The Chairman: I do not think the Members of the Committee would want that.

Dr. Quin: I was trying to save Colonel Richardson the unpleasantness of having to come before the Committee. That is what was in my mind.

The Chairman: As the Secretary has been in touch with Colonel Richardson, I think we had better wait until word has been received as to his availability or otherwise. Are there any other questions which Members wish to put to the Attorney-General? Then may I again thank you very much for your kindness in coming along and also for having put yourself at our service.

The Attorney-General: It is a matter for Major Thomson to arrange, but I shall be engaged next week prosecuting in the Stranix murder case. However, if I get a day's notice I can make arrangements to attend the Committee at any time other than Monday when I shall be opening the murder case. If the Committee could excuse me on that day I shall be very glad.

The Chairman: At any rate I think the Committee would try to suit your convenience.

The Attorney-General: Might I suggest that my memorandum should not go beyond the Members of the Committee.

The Chairman: All the Members of the Committee will appreciate that the evidence, of which they have received a copy, will be strictly private.

The Attorney-General withdrew.

The Secretary: There is one point upon which I should like to hear the Speakers' Counsel, and it is this question of receiving evidence, if necessary, on affidavit. How are we situated as a Committee of the House to accept such evidence?

Mr. Harrison: First of all, may I apologise for appearing to be late?

The Secretary: I am afraid we were rushing.

Mr. Harrison: I know I was not actually late. I was getting the Statutes so that they would be available should you have required to see them. I also got word of this possible application on behalf of Colonel Richardson as to whether or not there is power to receive evidence on affidavit. I think you have such power. This is not a court of law, it is a Committee of Parliament, and if it is within your terms of reference you would have power to receive an affidavit. It looks as if the terms of reference are sufficiently wide, but the question might arise as to whether you should, in fact, receive such evidence on affidavit. Looking at all the recent cases—Mr. Beattie's, Mr. Howells and the gentleman who was a director of the Bank of New Zealand—the Select Committee have heard the persons concerned. In every recent case that I can find the Select Committee, having heard the person concerned, found themselves able to
say that at the time he put himself up for adoption, at the time of election and at the time he acted or voted he was acting in good faith. I do not think this Committee could readily say that if they merely received evidence by way of affidavit. Afterwards somebody might ask how could a Select Committee say that a man acted in good faith on affidavit evidence. I think the Committee would have to judge his demeanour. I am not forcing the view that in this case the Committee would have to see him and test his evidence before they gave any finding on good faith in the matter.

The Secretary: I wanted the Committee to be clear on that point.

The Chairman: In view of counsel's opinion, supposing Colonel Richardson found himself well enough to receive the Committee in his own house, could the Committee make the long journey and hear him? Would the Committee in such circumstances be entitled to go and take evidence in his home?

The Secretary: That could only be done by permission of the House. The Senate would have to give the Committee power and leave to sit outside the precincts of the House. I do not suppose there would be any difficulty about that matter. The Committee could then, I presume, appoint three members—that is the quorum in this case—to go and see Colonel Richardson. I do not know whether Mr. Harrison agrees with that. As long as there was a quorum and the Committee had the authority of the House to go and hear Colonel Richardson it would be all right. The sub-committee appointed would then make its report to the full Committee.

The Chairman: I raised that matter in view of counsel's advice regarding an affidavit.

The Secretary: If on Monday we find that Colonel Richardson is not able to travel for, say, a fortnight it would then be better to ask the House when it sits on Wednesday for permission. The Chairman could explain the circumstances to the House and ask permission for the Committee or a quorum to sit at Colonel Richardson's home and take evidence. This Committee will have to make its Report before Parliament is prorogued.

The Chairman: Have you any other suggestions?

The Secretary: I have a Memorandum from the Ministry of Labour. I have not sufficient copies to give each member of the Committee one but I will have copies made. It might be convenient for the Committee to meet on Tuesday morning to hear evidence from the Ministry of Labour. The Permanent Secretary or the Assistant Secretary will appear before the Committee.

The Committee adjourned until 11.30 on Tuesday morning.
Minutes of Evidence
SECOND DAY
TUESDAY, 24TH JANUARY, 1956

The Elections Select Committee met in Room 17, Parliament Buildings, Stormont, on Tuesday, 24th January, 1956.

There were present:—Sir Wilson Hungerford (in the Chair), Sir George Clark, Mrs. Greeves, Mr. Pollock and Dr. Quin.

Mr. Francis Alexander Lyle Harrison, Q.C., M.B.E., Counsel to the Speakers and Examiner of Petitions for Local Bills, and Mr. H. Anderson, Assistant Secretary, Ministry of Labour and National Insurance, were in attendance.

The Secretary (Major Thomson): Colonel Richardson contacted me on the telephone yesterday and said that under doctor's orders he would not be permitted to travel to Belfast, but that he would be quite prepared to receive the Committee and give whatever evidence was in his power. In view of that I put on the Senate Order Paper, which some of you may have seen this morning, “Report from Chairman of Select Committee” in order to allow the Committee to send a quorum—because a quorum is all that is required— to Ballinamallard.

It would be necessary for the Chairman to report this matter to the Senate tomorrow and to ask the Senate to give the Committee permission to meet outside the precincts of the House; in other words, to go to Ballinamallard and to take Colonel Richardson's evidence. That is the proper course to pursue and if the Committee agree they should appoint three Members as a quorum of the Committee to go and see Colonel Richardson—either Thursday or Friday, he says, will suit him quite well—to take this evidence and to report to the Committee when they come back. It is a matter for the Committee, of course, to do what they think fit, but in everybody's interest Colonel Richardson should personally give evidence in this case. I think the Speakers' Counsel would agree with that.

Dr. Quin: Might I be excused? Certainly on Thursday I am tied up.

Mrs. Greeves and Mr. Pollock consented to form the quorum with the Chairman.

The Secretary: I will have a resolution ready for you to move in the Senate tomorrow, Mr. Chairman, and that will put the whole thing in order.

Dr. Quin: I take it that there will then be a meeting of the Committee for the quorum going to Colonel Richardson's to report back?

The Chairman: Oh, certainly.

The Secretary: There is one thing that we have to be careful about and that is that a Select Committee of another House will be sitting and we will require Speakers' Counsel at those meetings and obviously he cannot be in two places at the one time.

It was decided that the Committee sit again on Monday, 30th January, at 11-30 a.m.

The Chairman: We have with us this morning Mr. Anderson, of the Ministry of Labour, who have prepared a memorandum for us.

The Secretary: All the Members have had a copy of it.

The Chairman: Mr. Anderson will tell us the position regarding the appointment of Colonel Richardson, and the Section under which he was appointed. Will you please be good enough to tell us what you know about this matter, Mr. Anderson?

Dr. Quin: Before we go into that could we have, for the purpose of the record, the date when Colonel Richardson was first elected a Member of the Senate?

The Secretary: Colonel Richardson was first elected a Member of the Senate on the 15th November, 1949, and he took the Oath in the Senate on the 29th November, 1949. He came into the Senate in place of Mr. Nelson, who resigned from the Senate in order to become a Member of the House of Commons. He was last elected to the Senate on the 16th June, 1953.
I want clarified. In the memorandum by the learned Attorney-General, on the second page, at the end of the second paragraph, it is stated that Colonel Richardson was duly appointed a member of this Central Advisory Council in 1945.

The Secretary: That should be the Enniskillen Disablement Advisory Committee.

Mr. Pollock: The Ministry of Labour memorandum states that he was appointed Chairman of the Enniskillen Disablement Advisory Committee.

The Secretary: That has been corrected in the original.

Mr. Pollock: I wanted to get clear what his actual position was.

The Chairman: He is Chairman of the District Advisory Committee, not the Central Advisory Council. Now, Mr. Anderson.

Mr. Anderson: The law under which the Ministry appointed Colonel Richardson is contained in Section 17 of the Disabled Persons (Employment) Act (Northern Ireland), 1945. That provides that the Ministry may establish advisory committees for such districts in Northern Ireland as the Ministry may determine. The purpose of the committees is to advise and assist the Ministry in matters relating to the employment, or undertaking of work on their own account, of disabled persons in that district, and they have the duty of making recommendations and reports to the Ministry on matters referred to them under the Act. The Second Schedule to the Act authorises the Ministry to pay out of moneys provided by Parliament to the members of the district committees, such travelling and other allowances, including compensation for loss of remunerative time, as the Ministry, with the approval of the Ministry of Finance, may determine. Under the Act the first committee of the Enniskillen District was set up at the end of 1945, and Colonel Richardson was invited by the Minister to act as Chairman. He accepted the invitation, and held the appointment until the 15th January, 1956, when he resigned from it by letter. That resignation was accepted by the Ministry in a letter dated the 18th January, 1956. Colonel Richardson has not acted to a very great extent because the calls on the County Fermanagh Committee were not very great, and part of the committee's functions are discharged by panels of the committee appointed to deal with specific cases. Colonel Richardson was not on any of those panels, so that his functions were really confined to the activities of the main committee. He sat on comparatively few other Governmental committees, so that his functions were just as it were. I think that last occasion was in March, 1952. During the entire period of his office he never made any claim for allowances or expenses paid by the Ministry. That is, briefly, the history of the appointment.

The Chairman: You have not a copy of the Minister's letter asking Colonel Richardson to become a member?

Mr. Anderson: No, it is no longer extant. Apart from the fact that he actually has functioned, there is evidence of his appointment in a minute sent to the exchange manager at Enniskillen on the 14th December, 1945, stating:

No response has yet been received to the Minister's invitation to Colonel Richardson to act as Chairman of the Enniskillen Disablement Advisory Committee. What was the tenor of your recent conversation with him on the subject?

The Manager replied to the Ministry on the 15th December:

Colonel Richardson informed me that he had written advising the Minister that he was prepared to act but that owing to affairs elsewhere he would necessarily be absent from home for prolonged periods during the next 12 months at least.

The Chairman: There is no copy of the letter in which the Minister asked him and no copy of Colonel Richardson's acceptance?

Mr. Anderson: No.

Dr. Quin: Why?

Mr. Anderson: I am afraid I cannot tell you at this date.

Dr. Quin: But surely there is some reason for it? This Committee was set up in 1945. Was it a committee for life or for a term of years and, if the latter, when was the term renewed?

Mr. Anderson: There was no limit on the tenure?

Dr. Quin: Have we the terms of office? Is there a copy of the terms of office—in other words, a reference?

The Chairman: A good many of the other Governmental committees are only elected for a certain period of years, but I take it that this committee is elected and just goes on?

Mr. Anderson: Quite.

Dr. Quin: It is a life appointment, is that right?

Mr. Anderson: Yes, in effect.

Dr. Quin: Could we have the terms of reference or any rules, for the guidance of this Committee?

The Chairman: I am afraid there is only a memorandum for the information of the members. Perhaps Mr. Anderson will be able to tell us whether the Act says anything about the appointment?

Mr. Anderson: No, it does not. I will read Section 17:

The Ministry shall establish for the purposes of this Act—(a) for each such district in Northern Ireland as the Ministry may determine, a
district advisory committee, which shall be charged with the duty of advising and assisting the Ministry in matters relating to the employment, or undertaking of work on their own account, of disabled persons in that district, and in particular of making recommendations and reports to the Ministry on matters referred to the committee under this Act.

Then sub-section (2) provides:

The provisions of the Second Schedule to this Act shall have effect with respect to the said council and committees;

The Schedule provides, among other things, that

There shall be paid by the Ministry out of moneys provided by Parliament to the members of the said council, of each of the said committees and of any panel established as aforesaid, to any person requested by the said council or any of the said committees or such a panel to attend before them and so attending, such travelling and other allowances, including remuneration for loss of remunerative time, and such other expenses of the said council, of any of the said committees or of any panel established as aforesaid, as the Ministry, with the approval of the Ministry of Finance may determine.

Dr. Quin: I take it that this was not a committee of one? There would be one or two other members on the committee? Have we, in the case of any other member, the copy of the invitation to act?

The Chairman: Perhaps this would get at what Dr. Quin wants. Did the Minister make any Regulations, firstly, regarding the terms of appointment, and, secondly, the tenure of office?

Mr. Anderson: That I cannot just tell you offhand. I will have to look that up, and also that to which Dr. Quin has referred. If we can get a copy of a letter sent to another member of the committee it might have a bearing.

The Chairman: It would be very important for this Committee to know what were the terms of appointment and if it were for a tenure of office.

Mr. Anderson: I will certainly get that for the Committee.

Dr. Quin: We do not seem to have any necessary evidence of the appointment of Colonel Richardson as a member of this committee, as it stands.

The Chairman: How long do you think it would take you to find out that, Mr. Anderson? Could we adjourn for a few minutes to let you ring up the office to see if this Regulation is available? I think it is very important that the Committee should have it.

Dr. Quin: At the same time, were minutes kept of the meetings?

Mr. Anderson: Yes, I believe so. I do not know whether they are extant or not.

Dr. Quin: Is the minute book available?

Mr. Anderson: There will be no minute books. There are minutes on the files somewhere.

The Chairman: Is there an arrangement made with your officer at Enniskillen to submit them to you?

Mr. Anderson: I will just make inquiries.

The Chairman: If you could find out about those two points particularly, we would be grateful. I am sorry to give you the trouble.

The Committee adjourned accordingly.

On resuming.

The Chairman: Well, Mr. Anderson, have you been able to find anything for us?

Mr. Anderson: The position is that Paragraph (5) of the Second Schedule of the Act says:

(I) The Ministry may by regulations make any such provision as appears to it to be expedient with respect to the procedure of the said council, of any of the said committees or of any panel established as aforesaid.

Dr. Quin: Is the official who dealt with this matter on behalf of the Ministry available to give evidence? Or did you deal with it?

Mr. Anderson: No, I did not.

Dr. Quin: Then you are not really giving evidence?

Mr. Anderson: Except in so far as is shown by the Ministry's records.

Dr. Quin: Should we not be entitled to first-hand evidence? This is a very serious matter and should not be glossed over as though we have to accept whatever the Ministry says.

The Chairman: I do not think Mr. Anderson is attempting to gloss over anything.

Dr. Quin: No; I am not casting any reflection on Mr. Anderson, please understand that. But there is a very serious case against a Member of the Senate and if any view is to be established by this Committee we must be absolutely certain of our ground. If we are simply to hear say and remarks as contained, for example, in this letter which are by no means conclusive, then I do not think we can complete our work. I do not think we are entitled as a Committee to accept evidence or statements of that nature as direct evidence.

The Chairman: Would you like to have counsel's opinion?

Dr. Quin: Perhaps if he is able to advise on it Mr. Harrison would do so.
Mr. Harrison: Do you wish to have my view?

The Chairman: Yes, if you please.

Mr. Harrison: The question at issue is whether or not Colonel Richardson was disqualified. That is a matter that can only be determined by you, I respectfully suggest, on the best evidence which may be available relating to it. If, in fact, there is first-hand evidence of a documentary or verbal nature I think the Committee might feel that it must hear such evidence. I intend no reflection of any kind on the statement of Mr. Anderson, who is putting forward the Departmental views as best he can in a very clear way.

Dr. Quin: This is a serious matter, and I feel very strongly that we have no right to come to conclusions in a haphazard way. We must be very definite in whatever conclusions we come to and the reasons for those conclusions.

The Chairman: Would I take it that as the Minister did not make any regulations the secretary acted on the wording of the Act?

Mr. Anderson: Yes. Of course, the power to make regulations is purely permissive. The Ministry may make regulations.

The Chairman: Yes. They did not fix any terms of appointment or tenure of office.

Dr. Quin: Were any regulations made of any kind in relation to the procedure or functions of committees?

Mr. Pollock: Are we to understand that a number of individuals are grouped into things called committees without any terms of reference or without being told what to do? It seems a most extraordinary way to appoint a committee, especially when it is a review committee, without stating on what basis it is to work. There must be instructions issued somewhere.

Mr. Anderson: An officer of the Ministry is the secretary to the committee and he puts before them such matters as have arisen seeking their advice or consideration.

Dr. Quin: That is dealing with the routine affairs of the committee only.

Mr. Anderson: Quite.

Dr. Quin: We are not concerned with routine affairs of the committee; we are concerned with the constitution of the committee and the terms of reference. There must be some terms of reference.

The Chairman: There would be a copy of the minutes of the advisory committee that was set up in Enniskillen, would there not?

Mr. Anderson: The first meeting of the committee was held on 14th May, 1946, and there is a copy of the minutes here.

The Chairman: You are going to read the minutes of the first meeting?

Dr. Quin: Were these minutes confirmed subsequently? Is this the Ministerial record, or is it the minute of the meeting?

Mr. Anderson: This is a minute submitted by the manager at Enniskillen, who was both manager at the exchange and secretary to the committee.

Dr. Quin: And were those minutes confirmed?

Mr. Anderson: I could not tell you that without a search.

Dr. Quin: But surely the minutes must have been signed by the chairman?

The Chairman: You cannot tell us when there was a second meeting? You have no record of that, have you?

Mr. Anderson: I think we could find that.

The Chairman: What is that? Is it a memorandum from the manager of the exchange?

Mr. Anderson: Yes, and signed by him.

The Chairman: Giving a report of the proceedings?

Mr. Anderson: Yes.

The Chairman: But it is not the actual minutes of the meeting?

Mr. Anderson: I doubt if there were any other.

The Chairman: If there were a meeting then there must surely be something to the members of the Committee telling them what they were to do and subsequently confirming the election of the chairman?

Dr. Quin: Who was present at this meeting?

Mr. Anderson: There were Colonel Richardson, chairman; Major Devine, Messrs. Connor, Shepherd, Cummings, Bowes, Murphy, McClay, and Mrs. Hermon.

The Chairman: Will you just let us know what the manager said took place at that meeting?

Mr. Anderson: I shall read it to you, if I may. It is headed:

Meeting of Disablement Advisory Committee at Townhall, Enniskillen, 14/5/46, at 11 a.m.


The Chairman: Will you just let us know what the manager said took place at that meeting?

Mr. Anderson: I shall read it to you, if I may. It is headed:

Meeting of Disablement Advisory Committee at Townhall, Enniskillen, 14/5/46, at 11 a.m.


The Chairman: You say two things were put forward and discussed?

Mr. Anderson: Yes.
The Chairman: Have you a copy showing what those memos were?

Mr. Anderson: No, I do not know whether I could find them or not.

The Chairman: We do not know if they dealt with appointments and tenure?

Mr. Anderson: My own opinion, for what it is worth, is that they were probably asking the Committee to consider some specific points. This memorandum then continues:

It was proposed and agreed that Mrs. R. O. Hermon, J.P., and Captain Porter be appointed as vice-Chairman and deputy Chairman respectively. It was proposed and seconded that two panels be set up. For Omagh area Captain Porter was proposed as Chairman. Mr. Shepherd as employers' representative, Mr. Cummings to represent workers. Inquiry will be made by these members to obtain a representative for other interests. For Enniskillen Mrs. Hermon was proposed as Chairman, Mr. Couper of the S.C.W.S. as employer, Mr. McClintoc of Castle Street, Enniskillen, for employees, and Mr. A. D. Connolly, 20 Townhall Street, Enniskillen, to represent other interests. The secretary was requested to contact these persons.

The disablement position in the district was then discussed and statistics for the area considered, but owing to the time devoted to preceding matters discussion on this point was necessarily brief. And that document is signed by T. M. Lyness, manager at Enniskillen, who is secretary to the committee. That is the only record.

The Chairman: Is that the only record of any meeting?

Mr. Anderson: No. There are subsequent minutes which I think we could procure.

The Chairman: It is the actual minutes we would like to see rather than just a record. But before we proceed, will you let us have a copy of that report?

Mr. Anderson: Yes, I shall have it typed.

Mr. Anderson: That is quite usual and, of course, a good many of the appointments you are talking about are made under regulations where the regulation specifically provides for a limited period of office.

The Chairman: Would you look through your regulations to see if there is anything dealing with this?

Mr. Anderson: I can assure you that the Ministry has power under the Act to make regulations and so forth, but did not make regulations leaving the tenure of office as unspecified and the procedure of the Committee as it may determine itself.

The Chairman: Would you have the last date on which Colonel Richardson presided at a meeting?

Mr. Anderson: Yes, I have. It was the 13th March, 1952.

The Chairman: And he never sat after that?

Mr. Anderson: No.

Dr. Quin: The district committee?

Mr. Anderson: No, he was appointed chairman at the time the committee was set up. It did not exist before that.

Dr. Quin: Was the appointment of chairman made by the Minister or by the meeting? Your record does not say so, simply giving it as "Colonel Richardson, chairman."

Mr. Anderson: The meeting could not appoint the chairman. The normal procedure is that the Minister invites somebody to act as chairman and the evidence in this case suggests that this procedure was followed here.

Sir George Clark: I understood from this minute that the Minister actually invited Colonel Richardson to act as chairman. Who was the tenor of the conversation on the subject? I should like to know who that conversation was with, and who the Minister was at the time who asked Colonel Richardson. It seems to me that there is so much to be taken for granted here and, like Dr. Quin, I am not entirely satisfied the way this case has been presented.

Mr. Anderson: The minute was asking the manager at Enniskillen the tenor of his conversation with Colonel Richardson. He evidently reported that he had had a conversation with Colonel Richardson but I could not say, without checking, who the Minister was.

Dr. Quin: The conversation about who would be chairman?

Mr. Anderson: Yes.

The Chairman: And you say that Colonel Richardson was not a member of the committee before he was appointed chairman?

Mr. Anderson: No.
The Chairman: Under what regulations can a person be appointed chairman if he is not a member of the committee?

Mr. Anderson: The Schedule to the Act provides:

The central advisory council and each district advisory committee shall consist of members appointed by the Ministry, being—

(a) one person appointed by the Ministry as being an independent person to act as chairman; and,

(b) such other persons . . . .

The Chairman: And that appointment would make him a member of the committee?

Mr. Anderson: A member and chairman.

Mr. Pollock: Is it the opinion of the Ministry that Colonel Richardson was a member and chairman of the Committee from December, 1945, to January, 1956.

Mr. Anderson: Yes.

The Chairman: There was no meeting of the committee over a period of four years.

Dr. Quin: And no report of the panels to the main committee. I am still not satisfied with the terms of appointment. It is not covering a specific period.

The Chairman: I do not think any member of the committee is satisfied. Unfortunately, as Mr. Anderson has told you, no regulations were made setting out the terms of the appointment and the tenure of office.

Mr. Anderson: That is so.

The Chairman: I do not think Mr. Anderson can tell us anything further in view of that statement. Need we therefore detain him any longer?

Dr. Quin: I think we ought to be properly advised on this matter. That would be only fair to Colonel Richardson. He has been asked, or expected, to take the brunt of this whole matter. In my opinion there was an obligation on the Ministry to keep Colonel Richardson right on this question of employment. I looked for information as to the terms of appointment for the purpose of ascertaining if, under the renewal of the appointment, his attention had, in fact, been drawn to his position.

Dr. Quin: I think we ought to be properly advised on this matter. That would be only fair to Colonel Richardson. He has been asked, or expected, to take the brunt of this whole matter. In my opinion there was an obligation on the Ministry to keep Colonel Richardson right on this question of employment. I looked for information as to the terms of appointment for the purpose of ascertaining if, under the renewal of the appointment, his attention had, in fact, been drawn to his position.

The Chairman: As I have stated, Mr. Anderson is here to tell us what he can about the memorandum. He has already stated that no regulations were made, and I do not think he can be of further service to the Committee at the moment. I do not say that with any disrespect to Mr. Anderson. It is a matter that we will have to go into ourselves. Having heard the question discussed, perhaps in conversation with the Permanent Secretary of the Ministry he may be able to find something.

Dr. Quin: Is there any possibility of any evidence being submitted by the Ministry on this matter?

The Chairman: I do not think Mr. Anderson is in a position to answer that question.

Dr. Quin: Could Mr. Anderson make an inquiry?

Mr. Anderson: I certainly will.

Dr. Quin: Frankly, I am not satisfied that we have any evidence that can be accepted.

The Chairman: That is a matter for discussion between members of the Committee. There is no use keeping Mr. Anderson here any longer. Mr. Anderson, would you see the Permanent Secretary and tell him the position and how the Committee feel about the matter. If you get anything that throws any light on the matter will you let Major Thomson know?

Mr. Anderson: I will. I will have copies of the Minutes made.

The Chairman: Would you have copies made of the matters referred to in the memorandum submitted by the manager of the exchange.

Mr. Anderson: You mean the matters referred to at the first meeting?

The Chairman: Yes. Can we have copies of these?

Mr. Anderson: Yes.

Mrs. Greeves: Could we also have the letter which Colonel Richardson wrote to the Ministry in 1945? It must be filed here.

The Chairman: I have asked for that and they have not a copy of it.

Sir George Clark: I want to see the letter from the Minister to Colonel Richardson asking him to act as chairman of the committee. It is dated 14th December, 1945.

The Chairman: You will see, Sir George, in the memorandum submitted that the Department say they have not a copy of that letter.

Dr. Quin: Why not?

Sir George Clark: Then there is no evidence.

Mr. Anderson: There is the indirect evidence of the minutes to and from the manager which I have quoted.

Dr. Quin: Indirect evidence does not establish any position.

The Chairman: The only letter before the Committee is the letter dated 16th January, 1956, from Colonel Richardson stating, "I herewith tender my resignation as member and chairman of County Fermanagh Disability Advisory Committee." That is the only evidence.

Sir George Clark: We have no direct evidence. As a Committee are we supposed to accept indirect evidence? I ask you that as Chairman.
The Chairman: We are going to see Colonel Richardson and see if he has a copy of the letter. The Ministry cannot help us on the matter.

Mr. Pollock: Would it be any help if we had the Secretary of the Enniskillen branch and his records brought here? After all this memorandum which has been read out to us must be taken from some records of meetings.

The Chairman: This is just a general statement.

Mr. Anderson: It is. We have given you the supporting evidence such as it is. There is this correspondence with the manager and the fact that Colonel Richardson functioned and has resigned.

The Chairman: The manager has no power to appoint Colonel Richardson.

Mr. Anderson: I am merely saying that that is the evidence. It is a matter for you. It is evidence that there was a letter addressed by the Minister to Colonel Richardson and that Colonel Richardson replied to that letter.

Dr. Quin: That is not evidence.

Mr. Anderson: I am merely stating what we can produce.

Dr. Quin: It is not fair to Mr. Anderson. We will have to make up our own minds and deal with the matter in the way we think best. Mr. Anderson has been given a very nasty job to do. As far as I am concerned I should like him to understand there is nothing personal in regard to the manner in which he has carried out his duty.

The Chairman: Mr. Magowan’s letter is that no response has been received to the Minister’s invitation.

Mr. Pollock: There is just one point that might possibly help the issue. The proposal that Colonel Richardson should be chairman must be on a minute in a file somewhere.

Mr. Anderson: Not necessarily.

Mr. Pollock: Surely Mr. Magowan or somebody else in the office would have known of Colonel Richardson. Is it not customary for suggestions to be put forward by an official in the form of a minute, and then approved?

Mr. Anderson: Not necessarily. The important matter of the appointment of chairman might be discussed only by senior officials.

Mr. Pollock: Is there no record on a file to the effect—“See if Colonel Richardson will act” or words to that effect?

Mr. Anderson: There only is this letter.

The Chairman: Somebody out of the blue said, ‘We will make Colonel Richardson chairman.”

Mr. Anderson: No doubt there was a discussion.

The Chairman: Is there a record of those who took part in that discussion?

Mr. Anderson: I will see what we can produce on that. I do not think there is very much in writing.

The Chairman: You see the difficulty in which the Committee finds itself?

Mr. Anderson: I do.

The Chairman: We must know whether he was a member of the committee and who appointed him. In view of the conversations we have heard about to-day and the doubt which exists in the minds of the members of the Committee, perhaps you could have a discussion with the Permanent Secretary of your Ministry and see if he can find anything for us.

Dr. Quin: I am still anxious that further inquiries should be made on this question of terms of appointment.

The Chairman: Mr. Anderson will do that. He will also realise that this Committee is working at top speed and that this is not a matter for delay.

Mr. Anderson: I know it is an urgent matter.

The Chairman: Thank you very much, Mr. Anderson.

The Committee adjourned until 2-30 p.m. on Thursday, 26th January.
Minutes of Evidence

THIRD DAY

THURSDAY, 26TH JANUARY, 1956

The Elections Select Committee met on Thursday, 26th January, 1956, by permission of the Senate, at Rossfad, Ballinamallard, County Fermanagh, for the purpose of taking the evidence of Lieutenant-Colonel Henry Sacheverell Carleton Richardson, O.B.E., D.L.

There were present:—Sir Wilson Hungerford (in the Chair), Mrs. Greeves, and Mr. Pollock.

The Chairman: We were sorry to learn of your illness, Colonel Richardson, and our visit to you to-day is because we have been appointed to inquire into your position as a Senator due to the appointment you held as chairman of the advisory committee set up in Enniskillen district in connection with the Disabled Persons Employment Act. It is necessary for us, before arriving at a decision as a Select Committee, to ask you some questions. Firstly, can you tell us when you were appointed as chairman of the committee?

Lieut-Colonel Richardson: In December, 1945.

The Chairman: Had you been previously appointed a member of that committee?

Lieut.-Colonel Richardson: No.

Have you got a letter of appointment?

—Unfortunately I have not.

Can you remember who wrote to you?

—It was the Minister of Labour at that time, I think, was Mr. Maginess, but I would not swear to that although I think it was he who was Minister. I am speaking from memory but I think he wrote and invited me to be chairman of this advisory committee. I replied that in 1946 I was going to be away from home for considerable periods and that possibly they might prefer to appoint somebody else, but that passed over, they accepted me, and the first meeting was held, I will not say exactly, but early in 1946, in Enniskillen. At which you were sitting as chairman?

—Yes, and met the other appointed members of the committee.

Can you remember if minutes were made of that meeting?

—The only man who could tell you that definitely—you are asking me a definite question to which my answer is that I cannot remember—would be Mr. Lyness, who was secretary to the committee.

We were wondering if the Department kept minutes?

—I should think you would be able to find that out.

The Chairman: Can you remember how often that committee sat?

—It is over two years ago. You see, this committee did not have to meet so frequently because panels were appointed to deal with cases generally, and there were also enforcement officers.

Did the panels make a report at the end of the year of the number of cases they had dealt with?

—Not that I know of.

And did you go on to any of these panels at all?

—No, I was not on them. I was just chairman of the main committee. When we did have a meeting there was somebody from the Ministry of Labour, Belfast, who was really the "know-all," who was up to date in all the stuff.

Mrs. Greeves: Did he keep the minutes?

Lieut.-Colonel Richardson: One would certainly think that the Ministry of Labour would have done that.
The Chairman: Did you claim for any travelling or other allowances?

Lieut.-Colonel Richardson: No.

The Chairman: Did you get a notice on your appointment or subsequent to that setting out what allowances and things could be obtained?—I do not think so.

Would you remember if you ever got a memorandum or document which is known as "150"?—I think that has been sent to me since, two or three days ago, but I cannot remember anything like that. The question of emoluments never entered my mind at all.

So far as you know from memory you did not get a copy of this form?—I do not think so.

What information, if any, did you have concerning the payment of travelling or other allowances when you were first elected to the Senate in 1949?—I cannot remember as it is an information but on the other hand there may have been a sheet like that sent along. If it did come to me I did not do anything about it.

When was it first brought to your notice that you might be disqualified?—About six weeks' ago possibly. Mr. West, Unionist party, Mr. Lyness, Enniskillen, mentioned this to me here one evening, and to tell you the truth I did not really understand what it was all about at that early stage.

Then acting on that you subsequently resigned?—It was considerably later that I resigned.

It was on the 16th January that you wrote?—Yes.

Mr. Pollock: That was 10 days ago.

Lieut.-Colonel Richardson: Quite.

The Chairman: Have you any idea why you sent your resignation to the secretary of the advisory committee and not to the Ministry?

Lieut.-Colonel Richardson: I should have sent it to the Ministry but at the time I thought it should go through the place where we sat, and the local secretary would then send it on to whoever it should go to.

In other words, for the secretary to forward it on to the Ministry?—Yes.

Is there any special significance in why you resigned from the membership of the advisory committee as well as from the office of chairman?—No.

You were chairman but you were not a member of the committee?—As chairman, of course, I was. But you had not been a member of the committee and then appointed by the committee as chairman?—No.

You were appointed by the Minister?—Yes.

And it certainly was a letter from the Minister that you got and not a request from Mr. Lyness, the local secretary?—That is so.

Mr. Lyness rang you up to see?—No, not until I rang him up.

The Secretary: Who appointed you?
Lieut.-Colonel Richardson: Her Majesty's Lieutenant for the County of Fermanagh.

The Chairman: You could charge travelling allowances if you liked, but there were no emoluments which is really the point, and not the travelling allowances. Did you resign from that a good time ago?—Yes, three or four years ago. I should say three years ago.

The Chairman: I think that clears up all the points about which we had to trouble you. Thank you very much.

The Committee adjourned until 11-30 a.m. on Monday, 30th January.
Minutes of Evidence  
FOURTH DAY  
MONDAY, 30TH JANUARY, 1956  

The Elections Select Committee met in Room 17, Parliament Buildings, Stormont, on Monday, 30th January, 1956.

There were present:—Sir Wilson Hungerford (in the Chair); Mrs. Greeves, Sir George Clark, Mr. J. H. H. Pollock, and Dr. H. Quin.

Major J. W. McConnell, C.B.E., Secretary, and Mr. H. Anderson, Assistant Secretary, Ministry of Labour and National Insurance, were in attendance.

The Chairman: I have to report to the Committee that Mrs. Greeves, Mr. Pollock and myself visited Colonel Richardson at his home at Rossfad, County Fermanagh, on Thursday, 26th January, and he informed us that he had been asked in December, 1945, by the then Minister of Labour to accept the post of chairman of the district advisory committee, which he agreed to do, and that he presided over a meeting early in 1946. Since that time he had presided, to the best of his knowledge, at about six meetings, the last one being about two years ago. At no time did he receive any payment or allowances for travelling expenses, nor did he ever make any claim for them. It was brought to his notice about six weeks ago by Mr. West, M.P., that the question of his disqualification might be raised, and on the 16th January of this year Colonel Richardson tendered his resignation. Colonel Richardson also informed the Committee that he was not a member of any other statutory committee. I think that is the gist of what took place at our interview.

Mrs. Greeves: I agree.

The Chairman: What is the next thing we have to do?

The Secretary: Major McConnell and Mr. Anderson of the Ministry of Labour are here, and they might like to amplify or correct some of the evidence which Mr. Anderson gave to the Committee. I have also arranged for the manager at Enniskillen to be in attendance if he is required.

The Chairman: We are very glad to see you, Major McConnell. You probably heard from Mr. Anderson what took place at our previous meeting, and undoubtedly you will agree that the Committee were left somewhat hazy as to who had made the appointment, how it had been made, and what were the conditions and terms of that appointment. We should be very glad indeed if you could help to clear away the doubts which we have.

Major McConnell: Thank you very much. If there is any help I can give I shall be very glad to do so. Mr. Anderson has reported about the position, and if you would approve he would like to put in one or two points in amplification of what he said on the last occasion.

The Chairman: Certainly.

Mr. Anderson: The first thing I should like to do is to correct some evidence I gave on the last day of the full Committee met. You will remember that you adjourned for a few minutes so that I might make inquiries on two points, one being as to whether statutory regulations governing the procedure of the committees had been made, and, secondly, whether any such regulations had been made, they contained provision about the term of office of the chairman and members of the committee. When I came back I informed you, in accordance with the information given me, that no such regulations had been made. I subsequently found that that was incorrect. Regulations on procedure actually were made in September, 1945, and I have got a copy here which I can give to the Committee, but those regulations are completely silent so far as any term or limit on the office of the chairman and members of the committee is concerned. I should like to make that perfectly clear.

The Chairman: There was no term?

Mr. Anderson: There are regulations, but those regulations make no provision whatever about the term of office of the chairman and members of the Committee. That is the first point. The second point is in regard to the first meeting of the committee held in May, 1946, and you asked me if I could get the minutes. I have done so. I think the particular point of interest was whether the minutes of that meeting had been signed by Colonel Richardson. I have got the actual minute of the meeting, and it is signed by Colonel Richardson, on the 10th June, 1947, which was the date of the next meeting. You may remember also that in that record of the proceedings reference was made to two memoranda, Nos. 1 and 2, and the Committee asked if I could get copies of those. I have done so. Memorandum No. 1 gives explanations for the guidance of the committees on certain provisions of the Act; for instance, on the qualifications for putting a disabled person on the register, what constitutes a disabled person.
what is meant by the term “ordinarily resident,” and on certain disqualifications from entry to the register. It deals with explanatory matters of that kind. Memorandum No. 2 is a description of the constitution of the committees and their procedure, but again it is completely silent, just as the regulations to which I have referred are silent, about the term or limit of the office of the chairman or members. Dr. Quin: What was the date of the first meeting? Mr. Anderson: The first meeting was on 14th May, 1946, and the next meeting on 10th June, 1947. Colonel Richardson's signature is dated 10th June, 1947. Dr. Quin: Was there anything in the first minutes dealing with the constitution of the committee? Mr. Anderson: Nothing whatever. In point of fact, I read you a copy, which appears in the transcript of evidence. The Chairman: The constitution of the committee is stated in memorandum No. 2? Mr. Anderson: The constitution of the committee is set out in this supporting memorandum. The Chairman: Do we take it that the minutes of these meetings were kept? Mr. Anderson: Yes. I have got them here, but they are quite silent about the term of office. Mr. Pollock: I should like to suggest that a copy of the regulations and the two memoranda be attached to the documents of the proceedings of this Committee. Mr. Anderson: I have given those to the Secretary, and I have copies here which I also hand in. Dr. Quin: Perhaps Mr. Anderson would inform us if his Ministry received any communication from any source on the subject of disqualification of Members of Parliament in respect of their membership of the committee. The Chairman: We were informed that in 1945 Sir Hartley Shawcross drew attention across the water to the possibility of disqualification and that a memorandum was submitted over there relating to such disqualifications. Did we by any chance get it over here? I think that is the point that Dr. Quin wants to bring out. Dr. Quin: Did the various Ministries here get it? Mr. Anderson: Certainly not so far as I know. Dr. Quin: Would Major McConnell be able to deal with that point? Major McConnell: I would be speaking from memory alone. I cannot recall any question about that time of that sort. The Chairman: At any rate, at that time you were on a different portion of work in the Ministry from what you are on now?
interested in this class of the community." One of the things that the central council did, for example, was to advise—I am speaking now from recollection—that although a 3 per cent quota for disabled persons was required in Great Britain, a 2½ per cent quota would be enough in Northern Ireland. I am just giving you that as an example. It was more in the nature of advice. There was no need to have any signed decision from any of the committees. Probably the reason we did not make regulations about time limits or anything like that was because these were advisory committees and the members were free to resign if they pleased. I am sure it was unthinkable that we would be asking somebody who would be giving service on the committee to resign.

The Chairman: Of course, they are all covered by that form A/cs. 150, whether they were voluntary or not. That really does not concern the Committee. The fact that being on it they were able, if necessary, to draw allowances is the main point.

Major McConnell: I appreciate that. The whole thing is seen in quite a different perspective to-day. We are referring to a position at the end of the war, some 10 years ago, and it does look very much different to-day, I am sorry to say.

The Chairman: We have got to deal with it as it is to-day.

Dr. Quin: May we bring it up to date? Since that time may I take it that your Ministry have not received anything in the way of a signed decision from any of the committees which would cause you to be obliged to warn anyone that they were infringing on the subject of disqualification of Membership of Parliament?

Major McConnell: I appreciate that. The investigation was carried out by the Ministry of Finance.

Dr. Quin: My reason for asking these questions is that there might be a very strong impression in the minds of people that our Ministry was negligent in not keeping right those whom they had involved in risks.
Mr. Anderson: Not in 1945 because I do not think he was a Member of the Senate at that time.

Sir George Clark: This Regulation No. 109 sets out what would disqualify a member of committee but it makes no reference.

Mr. Anderson: I beg your pardon. This merely is disqualification to act on a panel in a case in which he was personally interested.

Sir George Clark: Nor does it make any reference at all to any form of payment even for travelling allowances?—No.

So that no reference whatsoever was made in this document as to payment or payment of allowances and even if he did read it he was in no way to imagine that he might be entitled to allowances or payment?—In the letters issued, that we cannot produce, I think the Minister said that there was no salary attached to the appointment but that allowances would be paid in respect of travelling and subsistence expenses. Where is that stated; it is not in the regulations? I do not wish to waste the time of the Committee with these questions or to raise any hares, but it would seem that there was no reason for Colonel Richardson to think from any official document that he would get any allowances or payment, because it was never in any way brought to his notice. Is that not so, Mr. Anderson? The assumption is that he was probably informed that he would get travelling allowance but no salary.

Sir George Clark: That reference to travelling allowances or expenses does not seem to appear in this S.R. & O. No. 109?—No.

The Chairman: You quoted to us an extract from some document to the effect that no salary was attached to the appointment but that travelling allowances would be allowed. What was that?

Mr. Anderson: It is copy of a letter the Minister sent to a member of the committee.

But not the one sent to Colonel Richardson?—No.

On the question of expenses and whether Form 150 was sent to Colonel Richardson, you have no record of the thing being sent to him?—No.

The Chairman: Colonel Richardson could not recollect whether he had received it or not. I do not think there is anything further in which the Ministry can help us but if something crops up we will take advantage of sending for you.

Major McConnell and Mr. Anderson withdrew from the Committee.

The Committee adjourned until 11-30 a.m. on Wednesday, 1st February.
The Elections Select Committee met in Room 17, Parliament Buildings, Stormont, on Wednesday, 1st February, 1956.

There were present: Sir Wilson Hungerford (in the Chair), Sir George Clark, Mrs. Greeves, Mr. Pollock and Dr. Quin.

The Chairman: Two points have been raised by Dr. Quin during our discussions, and I suggest that we recall the Attorney-General for his advice.

Agreed.

The Attorney-General recalled.

The Chairman: Mr. Attorney-General, we are very grateful to you for coming at such short notice, and feel sorry to have to bring you up on such a morning.

Dr. Quin: I join the Chairman in that.

The Attorney-General (Mr. Warnock): It is quite all right. I said that I would be at the service of the Committee at any time.

The Chairman: We did not think we would have to invite you up at such short notice. The point that worried us very much is in the first paragraph of the Second Schedule of the Disabled Persons (Employment) Act, 1945, where it is stated:

1—(1) The central advisory council and each district advisory committee shall consist of members appointed by the Ministry, being—

(a) one person appointed by the Ministry as being an independent person to act as chairman;

The Attorney-General: What is the difficulty?

The Chairman: The difficulty hinges round the meaning of the word "independent". Independent of what?

The Attorney-General: I think it is answered by 1(b), which gives us the other persons on the council. It says:

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1—(1) The central advisory council and each district advisory committee shall consist of members appointed by the Ministry, being—

(a) one person appointed by the Ministry as being an independent person to act as chairman;
Dr. Quin: There are two bodies and others.

The Attorney-General: Not in the Statute. The memorandum, I agree, provides for a number of other persons with experience.

Dr. Quin: The use of the word "including" means surely more than or something different from "comprising" or "consisting of"?

The Attorney-General: Possibly, but I still do not get your difficulty, Senator Quin.

Dr. Quin: My difficulty is this. If the chairman is a person independent of the committee then when we come to paragraph 4, the question of allowances to reimburse expenses and compensation for loss of remunerative time applies not to the chairman but to the committee, and, therefore, the chairman, who is independent, is not provided for in regard to the allowances of expenses and compensation for loss of remunerative time. That is the point.

The Attorney-General: That would involve a decision that the chairman was not a member of the committee. Paragraph (4) says:

There shall be paid . . . to the members of the said council . . .

Dr. Quin: If it had been intended to include the chairman it should have said "the chairman and the members".

The Attorney-General: Paragraph 1 (1) states:

The central advisory council and each district advisory committee shall consist of members appointed by the Ministry, being—

(a) one person appointed by the Ministry as being an independent person to act as chairman;

I would suggest he is clearly constituted a member of the committee.

Dr. Quin: Yes, but the two phrases are in conflict.

The Attorney-General: I am afraid I do not follow that.

Dr. Quin: By the use of the word "including" he is independent of what?

The Attorney-General: I have no doubt in my own mind that his position is that of neutrality between the two sides specifically mentioned in the Statute.

Dr. Quin: Three sides.

The Attorney-General: There are not three sides, in my opinion.

Dr. Quin: Paragraph 1 (1)(b) refers to other persons, "including". It does not say "comprising". It implies clearly that they do not constitute the entire committee but are included in the committee. As a matter of fact, there have been other persons appointed on these committees apart from employers' representatives and workers' representatives.

The Attorney-General: So I gather.

Dr. Quin: And that is based, apparently, on the word "including".

The Attorney-General: Maybe.

The Chairman: Paragraph 1 (1) of the Second Schedule states—

The central advisory council and each district advisory committee shall consist of members appointed by the Ministry, being—

(a) one person appointed by the Ministry as being an independent person to act as chairman;

—May I take it that that definitely and clearly makes the chairman a member of committee?

The Attorney-General: I would unhesitatingly say so.

Dr. Quin: I would say so if it stopped there, but it does not stop there. That is my difficulty. It goes on to draw certain restrictions. He is not there (a) as an employers' representative or (b) as a workers' representative, or (c) such other persons.

The Chairman: But it does state that the chairman, being an independent person, is a member of the committee. That is the only point that is before this Committee.

Dr. Quin: I go back again to where I started. There is a doubt on this. I am clearly in doubt as to what is implied by the word "independent", and nobody has told me "independent" of what.

The Chairman: I do not think that it affects the issue that the Committee have to decide.

The Attorney-General: I do not see that it matters at all of whom he is independent. In my view he is clearly appointed a member of the Committee.

Dr. Quin: Why use the word "independent"?

The Attorney-General: Sub-paragraph (b) shows why they use the word "independent": He is to be independent of the two sides that are specifically mentioned in (b).

Dr. Quin: Of three bodies.

The Attorney-General: The Statute only mentions two.

The Chairman: The statute only says two.

Dr. Quin: The Statute says including". It does not say "comprising" or "consisting of", so the Statute itself implies more than two bodies.

Mr. Pollock: Might we not have persons other than representatives of workers and employers—who were representatives of other bodies interested in disabled persons, and the intention is that under all circumstances the chairman would be a person independent of all interests connected with disabled persons; that is, independent of any category whatsoever?

The Attorney-General: I think that is quite clear.
Dr. Quin: That is an interpretation one could place on it, but why use the word "independent"?

The Chairman: I am afraid we are not here to decide the interpretation.

Dr. Quin: That, unfortunately, seems to be what it comes down to.

The Attorney-General: I can only give you my opinion on this. In my opinion Colonel Richardson was clearly a member of this committee, and under paragraph 4 of the Second Schedule he was clearly entitled to be paid the travelling and other allowances, including compensation for loss of remunerative time.

Dr. Quin: May I take it that the Attorney-General, in his capacity as such, is advising us that, no matter what doubts we have or may have, Colonel Richardson was a member of this committee and, as such, comes within the provisions of paragraph 4 of the Second Schedule?

The Attorney-General: I would not presume to advise the Committee as to what decision they should arrive at. I am merely here to give my views on the true interpretation of the Second Schedule. What the Committee do is a matter for them. I would not presume to advise them as to what their decision should be. I am merely here to give, to the best of my ability, my opinion on what is the true interpretation of the Act of Parliament. Further than that I do not go.

Dr. Quin: I take it that the true interpretation of the Act is that the Second Schedule must be taken to assume—whether there is any doubt, as there is with me—that the chairman is a member of the committee?

The Attorney-General: In my opinion he is a member of the committee.

Dr. Quin: That is the advice you are giving us?

The Attorney-General: That is the advice I am giving.

Dr. Quin: That is what I want to get. I am dealing with the issue now apart altogether from the question whether Colonel Richardson was, in fact, a member of the committee. We got that from Colonel Richardson's own evidence.

The Chairman: The Attorney-General has given his opinion that, according to the Second Schedule, Colonel Richardson as an independent chairman was also a member of the committee.

Dr. Quin: And that, presumably, arising out of that, the use of the word "independent" has no significance whatever?

The Attorney-General: It has the significance which I pointed out, that the Statute contemplated two different bodies, as it specifically states, "the representatives of the workers and the representatives of the employers"; and the chairman was appointed as independent of those two bodies. That is what independence means.

Dr. Quin: We are accepting that advice, it being clearly understood that the word "including" really must be taken as standing for "comprising" or "consisting of".

The Attorney-General: I would have thought myself that it meant what it says. It does not seem to me to matter whether it is interpreted as meaning that it should be exclusively composed of those two bodies or whether they bring in other persons interested in the disabled or not. I still think that Colonel Richardson stands as independent of every member of the committee—as a neutral.

Dr. Quin: We get the best advice we can and we, as sensible people, accept that, and we could not get any better legal advice than that of the Attorney-General. He, after all, is the Law Officer to the Government. As far as I am concerned it has not solved the doubts in my mind, but I feel bound to accept the advice.

Sir George Clark: I should like to join with Senator Quin and accept the advice of the Attorney-General. I am very glad he came here and gave us his advice because Senator Quin had raised considerable doubt in my mind, and I could see a legal wrangle going on, but I am very grateful to the Attorney-General and accept what he has said, which has removed from my mind the doubt in this particular instance.

Mrs. Greeves: I also am quite satisfied.

The Chairman: We are most grateful to you, Mr. Attorney-General, for having come along as you have done and for always placing your advice so willingly and freely at the Committee's service. It has helped us very much to get over this little difficulty. You, as a legal man, will know the legal points that arose in Dr. Quin's mind, and from which we, as laymen, shall I say, are luckily exempt.

The Attorney-General: Very luckily, because this whole subject has become so terribly technical that it is really a lawyer's paradise.

The Chairman: We were afraid that that is what it was going to develop into, and we were not able to stand up to Dr. Quin, and thought you would not mind coming back to help us out of the difficulty.

The Attorney-General: Thank you very much.

The Attorney-General then withdrew.

The Committee proceeded to consider the Draft Report, and concluded their deliberations.
APPENDIX A

Memorandum by the Ministry of Labour and National Insurance

Section 17 of the Disabled Persons (Employment) Act (Northern Ireland), 1945, provides for the establishment by the Ministry of a district advisory committee for each such district in Northern Ireland as the Ministry may determine charged with the duty of advising and assisting the Ministry in matters relating to the employment, or undertaking of work on their own account, of disabled persons in that district, and in particular of making recommendations and reports to the Ministry on matters referred to the committee under the Act. The Second Schedule to the Act authorises the payment by the Ministry out of moneys provided by Parliament to the members of district committees of "such travelling and other allowances, including compensation for loss of remunerative time" as the Ministry with the approval of the Ministry of Finance may determine. A copy of a memorandum setting out the current rates of expenses and allowances so approved and determined and the conditions subject to which they are payable is attached.

In pursuance of the Act an advisory committee was set up for the Enniskillen district under the chairmanship of Lt.-Col. H. S. C. Richardson, O.B.E., D.L., in December, 1945. Colonel Richardson was invited to act as chairman of the committee by the Minister. Neither the Minister's invitation nor Colonel Richardson's acceptance of it is now extant, but minutes addressed to the Manager of the Enniskillen Employment Exchange on the 14th December, 1945, and the latter's reply dated 15th December, 1945, of which copies are attached, are evidence of the invitation and of Colonel Richardson's acceptance of it.

Colonel Richardson acted as chairman of the Enniskillen Disablement Advisory Committee from its inauguration in 1945 until his resignation from it on the 16th January, 1956. Copies of his letter of that date resigning from the committee and of the Ministry's letter of 18th January, 1956, notifying acceptance of it are attached.

Colonel Richardson never claimed or was paid any remuneration, allowances or expenses in respect of his office as chairman of the committee.

MINISTRY OF LABOUR AND NATIONAL INSURANCE,
STORMONT, BELFAST.

19th January, 1956.
MINISTRY OF LABOUR AND NATIONAL INSURANCE

Memorandum for Information of Members of Local Tribunals, Local Appeal Tribunals, Appeal Tribunals under the National Assistance Act (N.I.) 1948, Wages Councils, Committees under the Disabled Persons (Employment) Act and Other Committees

Service on the bodies referred to above is regarded as voluntary and unpaid, and any allowances that may be payable in respect of attendances at meetings, whether on account of travelling, subsistence or compensation for loss of earnings, are intended only to reimburse to members amounts actually and necessarily expended or lost, and are in no sense a payment for services rendered. The Ministry relies at all times upon members to make such arrangements as they can to avoid unnecessary expense in attending meetings.

The rules regarding the allowances payable are set out in the Appendix; extracts from these are printed on the form of claim. The certificate on the form of claim contains a declaration to the effect that:

1. All expenses charged have been actually and necessarily disbursed by the claimant solely on the Public Service;
2. Any allowances claimed are in accordance with the rules in the Appendix;
3. No other claim in respect of the same period or items has been or will be made on the Ministry of Labour and National Insurance or on any other Government Department.

APPENDIX

Allowances for Travelling, Subsistence and Loss of Earnings, and Conditions of Payment

Travelling Allowances

1. The actual amount spent on fares will be reimbursed, and return ticket or other cheap bookings should always be taken when expense is thereby saved. The hire of cabs or other private conveyances should be charged against the Ministry only when heavy luggage has to be transported or when there is extreme urgency. A voucher is required when the cost of a private conveyance exceeds 5/-.

Subsistence Allowances

2. Subsistence allowances are based upon the time necessarily required to attend official meetings recognised as such by the Department. Time occupied upon non-official meetings or private business must not be included.

3. If the member is required either:
   (i) To travel 5 miles or more each way to and from the place of the meeting; or
   (ii) To be necessarily absent from home or work on the business of the committee or other body concerned for a continuous period of 5 hours or more;

subsidence allowances may be paid on the following scales:

(a) For meetings not involving a night's absence from home:
   (i) For absence from home or work of 8 hours or less, not exceeding 4/-;
   (ii) For absence from home or work of more than 8 hours, not exceeding 9/-.

(b) For meetings involving one or more night's absence from home:
   (i) In respect of each night (to cover a period of 24 hours) not exceeding 31/-.
   (ii) For further absence from home or work of less than one night (24 hours) allowance as for (a) (i) or (ii) above.

A/cs. 150
NOTE: No payment may be made in respect of subsistence for absences of less than 5 hours unless the member has travelled 5 miles or more each way to and from the place of meeting. This rule relates to subsistence only and not to allowances for loss of earnings.

Allowances for loss of Earnings

(4) Compensation for actual loss of earnings up to a maximum of 30/- a day (in addition to subsistence when due) is payable to workmen representatives who are working men following their trades and who have unavoidably suffered measurable pecuniary loss as a result of their attendance at a meeting.

(5) Employer or workmen representatives who, although in business on their own account, actually work at their trade in the same or similar way as though they were journeymen working for wages for at least three-quarters of the recognised number of normal working hours a week in that occupation may, if their attendance at a meeting has involved them in loss of remunerative time, receive an allowance at a rate not exceeding the rate of wages payable in the district to workmen of the same trade up to a maximum of 30/- a day (in addition to subsistence when due). Where the performance of remunerative work is merely advanced or deferred, no compensation is payable.

(6) The Ministry reserve the right:—

(a) to arrange for a visit of one of their officers to verify any claim made under paragraph (5); and

(b) in the case of a worker representative claiming under the rule in paragraph (4), to call for a certificate from his employer or for other satisfactory evidence of measurable pecuniary loss.

(7) No compensation for loss of earnings is payable in respect of the attendance of the following classes of members:—

(a) Full-time Trade Union officials.

(b) Employer representatives, other than as stated in (5) above.

(c) Persons whose employment is remunerated on a "Commission" basis.

(8) No compensation is payable to any member in respect of loss of overtime earnings.

STORMONT.
Correspondence

E.M. ENNISKILLEN

No response has yet been received to the Minister's invitation to Col. Richardson to act as Chairman of the Enniskillen Disablement Advisory Committee. What was the tenor of your recent conversation with him on the subject?

(Signed) W. MAGOWAN
14th December, 1945.

I.R. BRANCH

Col. Richardson informed me that he had written advising the Minister that he was prepared to act but that owing to affairs elsewhere he would necessarily be absent from home for prolonged periods during the next 12 months at least.

(Signed) T. M. LYNES,
Enniskillen.
15th December, 1945.

Telephone No.
Killadeas 205

ROSSFAD,
BALLINAMALLARD,
NORTHERN IRELAND.
16th January, 1956.

Dear Sir,

I herewith tender my resignation as Member and Chairman of County Fermanagh Disablement Advisory Committee.

Yours faithfully,

(Signed) H. S. C. RICHARDSON,

THE SECRETARY,
DISABLEMENT ADVISORY COMMITTEE,
MINISTRY OF LABOUR AND NATIONAL INSURANCE,
BROWNE SQUARE,
ENNISKILLEN.

18th January, 1956.

Sir,

I am directed by the Minister of Labour and National Insurance to refer to your letter of the 16th January, 1956, to the Secretary to the Enniskillen Disablement Advisory Committee, and to say that the Ministry has accepted your resignation from the Committee with regret.

I am, Sir,
Your obedient Servant,
J. W. McCONNELL,
Secretary.

LT.-COL. H. S. C. RICHARDSON, O.B.E. D.L.,
ROSSFAD,
BALLINAMALLARD,
CO. FERMANAGH.
MEETING OF DISABLEMENT ADVISORY COMMITTEE,
AT TOWNHALL, ENNISKILLEN, 14TH MAY, 1946, AT 11 A.M.

Members present:—Chairman—Col. H. S. Richardson, O.B.E.; Major Devine, Messrs, N. J. Connor, T. McClay, R. S. Shepherd, E. Cummings, W. Bowes, J. Murphy and Mrs. R. O. Hermon, J.P.

The Chairman read a letter from the Minister of Labour expressing regret at his inability to be present at the meeting but stating that he looked forward to meeting the Committee in the future.

Memos. No. 1 and 2 were considered by the Committee in detail and all points discussed.

It was proposed and agreed that Mrs. R. O. Hermon, J.P., and Capt. Porter be appointed as vice-Chairman and deputy Chairman respectively.

It was proposed and seconded that two panels be set up. For Omagh area Capt. Porter was proposed as Chairman, Mr. Shepherd as employers' representative, Mr. Cummings to represent workers. Enquiry will be made by these members to obtain a representative for other interests. For Enniskillen Mrs. Hermon was proposed as Chairman; Mr. Cooper, of the S.C.W.S., as employers; Mr. McClintock, 8 Castle Street, Enniskillen, for employees, and Mr. A. D. Connolly, 20 Townhall Street, Enniskillen, to represent other interests. The Secretary was requested to contact these persons.

The disablement position in the district was then discussed and statistics for the area considered but owing to the time devoted to preceding matters discussion on this point was necessarily brief.

(Signed) H. S. C. RICHARDSON,
Chairman.
10th June, 1947.

(Signed) T. M. LYNES,
Secretary.

Letter referred to above.

MINISTRY OF LABOUR AND NATIONAL INSURANCE,
STORMONT.
BELFAST.
11th May, 1946.

Dear Colonel Richardson,

I had hoped to attend the inaugural meeting of the Enniskillen Disablement Advisory Committee on Tuesday next, 14th May, but unfortunately I find that it will not be possible for me to do so owing to pressure of other commitments.

I am, however, looking forward to meeting the Committee on a future occasion, and, in the meantime, I should like to take this opportunity of conveying to you and the other members my warmest thanks for the assistance so readily given to my Ministry in its work on behalf of disabled persons.

Sincerely yours,

(Signed) BRIAN MAGINESS.

Lt.-Col. H. S. C. Richardson, O.B.E.,
Rossfad,
Ballinamallard,
Co. Fermanagh.


APPENDIX B

STATUTORY RULES AND ORDERS OF NORTHERN IRELAND

DISABLED PERSONS (EMPLOYMENT)

REGULATIONS, DATED 13TH SEPTEMBER, 1945, MADE BY THE MINISTRY OF LABOUR UNDER THE DISABLED PERSONS (EMPLOYMENT) ACT (NORTHERN IRELAND), 1945, WITH RESPECT TO THE DISTRICT COMMITTEES AND PANELS.

The Ministry of Labour for Northern Ireland (hereinafter referred to as "the Ministry") by virtue of the powers conferred on it by the Disabled Persons (Employment) Act (Northern Ireland), 1945, and of all other powers enabling it in that behalf, hereby makes the following Regulations.

1.—(1) These Regulations may be cited as the Disabled Persons (District Advisory Committees and Panels) (Procedure) Regulations (Northern Ireland), 1945, and shall come into force on the date hereof.

(2) The Interpretation Act, 1921, applies to the interpretation of these Regulations as it applies to the interpretation of an Act of the Parliament of Northern Ireland.

(3) In these Regulations, unless the context otherwise requires, the following expressions have the meanings hereby assigned to them, that is to say:

"the Act" means the Disabled Persons (Employment) Act (Northern Ireland), 1945;
"Committee" means a District Advisory Committee established by the Ministry in accordance with section 17 (1) (b) and the Second Schedule of the Act;
"Panel" means a panel established by a Committee in accordance with paragraph 2 of the Second Schedule of the Act;
"reference" means a reference by the Ministry to a District Advisory Committee in accordance with sections 7 (2), 8 (3), 9 (7), 10 (5) or 11 (3) of the Act;
"recommendation" means a recommendation made by a Committee or Panel to the Ministry in accordance with the provisions of sections 7 (2), 8 (3), 10 (5) or 11 (3) of the Act;
"report" means a report made by a Committee to the Ministry in accordance with sections 9 (7) (e) of the Act.

2. No person shall act as a member of a Committee during the consideration of a reference in which he appears as the representative of a person concerned in the reference or in which he is or may be directly affected by the matters dealt with in the reference or otherwise or if he is or was the employer or employee of any such person.

3.—(1) The quorum of a Committee shall be one third of the members of that Committee in addition to the Chairman or, in his absence, of that member of the Committee authorised by the Ministry in that behalf.

(2) The quorum of a Panel shall be three members thereof, of which one must be the Chairman of the Panel, save only that with the consent in writing of the person or persons concerned but not otherwise the reference may be proceeded with in the presence of the Chairman of the Panel and in any such case the Panel shall be deemed to be properly constituted.
4. Not less than seven days' notice in writing of the meeting of a Committee shall be sent to the person or persons concerned in the reference at their last known address and where such notice has been given, the Committee may proceed to consider the reference and make their recommendation or report thereon as the case may be, notwithstanding that the person or persons concerned in the reference is or are not present.

5. Any person concerned in a reference may conduct his own case or may be represented at the sitting of the Committee:
   (a) by a representative of any organisation of employers or employed persons of which he was a member when the reference was made to the Committee;
   (b) by a representative of any other organisation or society which satisfies the Committee that it makes provision for the general interests of disabled persons;
   (c) by a relative or friend; or
   (d) in the case of an employer, by a director, partner, manager or any member of his staff.

6.—(1) The hearing of references before a Committee shall be in private unless the Chairman in any particular case, for reasons of public interest, directs with the consent of the person or persons concerned in the reference that members of the public and representatives of any newspaper shall be admitted during the hearing of the reference or any part thereof. For the purpose of discussing the terms of any recommendation or report, the Committee may order all persons not being members thereof to withdraw.

   (2) The decision of a Committee by way of reference or report shall be decided on a show of hands by a majority of the members present in person and voting. Each member shall have one vote and, in the case of an equality of votes, the Chairman of the meeting shall be entitled to a further or casting vote.

7. A Committee shall keep a record of its proceedings and such record shall, in respect of each reference, include a statement of the facts found by them and of the recommendation or report made thereon. In the case of a recommendation or report not being unanimous, a statement of the reasons given by the dissentient member or members shall be recorded.

8. In so far as they can be made applicable thereto these Regulations shall apply to the procedure of a Panel as they apply to a Committee and subject to the provisions of the Act and save as otherwise herein expressly provided, the procedure of a Committee or Panel may be such as it may determine.

Sealed with the Official Seal of the Ministry of Labour for Northern Ireland this thirteenth day of September, one thousand nine hundred and forty-five, in the presence of

J. W. M'Connell,
Assistant Secretary to the Ministry of Labour for Northern Ireland.
REGISTRATION OF DISABLED PERSONS

1. This memorandum is circulated for the information of all concerned in the compilation of the Register of Disabled Persons under the Disabled Persons (Employment) Act, 1945. Copies should be made available for the Chairman and Members of district advisory committees when considering applications for admission to, or retention in, the Register that have been referred to them for their recommendations.

Qualifications for Entry

2. To obtain admission to the Register of Disabled Persons the applicant must show that:

(a) he is a disabled person within the meaning of Section 1 of the Disabled Persons (Employment) Act (Northern Ireland), 1945;

(b) the disablement is such as will be likely to continue for six months or more from the date of entry in the register;

(c) he is over school-leaving age;

(d) he desires to engage in some form of remunerative employment or work on his own account in Northern Ireland, and that he has a reasonable prospect of obtaining and keeping such employment or work;

(e) he is ordinarily resident in Northern Ireland; and that

(f) his application has been made in the prescribed manner.

Notes.

2a. "Disabled Persons."

The Act defines a disabled person as one who, "on account of injury, disease, or congenital deformity, is substantially handicapped in obtaining or keeping employment or in undertaking work on his own account which, apart from that injury, disease or deformity, would be suited to his age, experience and qualification."

It follows from this that a person may have sustained a severe injury and yet not be a "disabled person" because, in fact, he has no difficulty in finding or keeping suitable employment. Thus a man who has lost a foot may be able to get and retain employment as a clerk, or in some other sedentary occupation, as easily as an uninjured competitor. On the other hand, a disablement that does not appear to be serious may in fact be a heavier handicap to employment or work on own account than some other more obvious injury. Nerve troubles and slight mental deficiencies are instances in point, since the word "disease" covers mental as well as physical disabilities. The test for any applicant is the effect of the disability on his prospects of obtaining or keeping employment in comparison with those of a person of similar age who is not disabled and who is employed in, or looking for, the same kind of employment. If, on this standard, the applicant would be substantially handicapped in obtaining or keeping employment or working on his own account, he is a disabled person within the meaning of the Act.

The phrase in the definition "suited to his age, experience and qualifications" should be interpreted as at the time of the application. Thus a man who was an unskilled labourer before the war may have since learned a trade, or occupied a position of a considerable responsibility; and if he is disabled he should be regarded as substantially handicapped if his disability seriously affects his chances of getting employment of a kind now suitable for him even though it does not prevent him from returning to his pre-war occupation.

Under the proviso to Section 7 (2) of the Act, a 1914-18 disablement pensioner (i.e., a person still receiving a disability pension from the 1914-18 war) is to be treated as a disabled person satisfying both conditions 2a and 2b.

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(2d) Employment Prospects in Northern Ireland.

An applicant's prospects of obtaining and keeping employment and work on his own account should of course be considered with reference to the facilities and references that would be at his disposal if he were admitted to the Register.

(2c) "Ordinarily Resident."

The phrase "ordinarily resident" is not defined in the Act, and the following remarks can, therefore, only be suggestions of the principal factors that should be considered when applying the test in particular cases.

Of these, probably the most important is the actual time spent by the applicant in Northern Ireland—especially as compared with the time spent out of it; thus a young man who had lived all his life in Northern Ireland until he enlisted in the Forces or went to war work in Great Britain would in most cases be "ordinarily resident in Northern Ireland" as soon as he returned to his home. But if he married in, say, England and set up in a business there, it might well be that his ordinary residence had shifted to England. The time element is, in fact, not quite conclusive by itself and should be considered together with all the other circumstances of the case. If an applicant's home and family connections are outside Northern Ireland and he is here only in a temporary occupation (even though it has lasted some years) the inference is that he is not ordinarily resident in Northern Ireland. If, however, he has obtained permanent work here and has brought his family with him and perhaps bought a house in Northern Ireland, the presumption would probably be the other way.

It would seem, therefore, that the relevant factors are the time spent by the applicant in Northern Ireland and his intentions as shown by the ties he has formed with this country (such as buying a dwelling or a business) his personal or family connections with it, the temporary or permanent nature of his occupation and the severance or retention of his ties with another country.

DISQUALIFICATIONS

(3) The applicant is disqualified from entry to the Register if:—

(a) he is an inmate of a mental hospital or institution;
(b) he is an inmate of a prison;
(c) he is a whole time patient in a hospital, sanatorium or similar institution in circumstances which, in the opinion of the Ministry, make it impossible for him to undertake employment or work on his own account or attend a vocational training or industrial rehabilitation course; or
(d) he is, in the opinion of the Ministry, a person of habitual bad character.

Applications for Renewal of Registration

(4) These are subject to the same qualifications and disqualifications as mentioned in paragraphs 2 and 3 for new entrants.

Disqualifications from Retention on Register

(5) These are:—

(a) That the registered disabled person fails to continue to satisfy any of the conditions for new entrants set out in paragraph 2 above, or to be free from the disqualifications set out in paragraph 3 above.
(b) That if a registered disabled person has been requested by the Ministry to attend a vocational training or rehabilitation course, he has, without reasonable cause, failed or neglected to attend or complete such course to the satisfaction of the Ministry.
(c) That a registered disabled person has persistently and without reasonable cause refused to undertake employment or work on his own account which is suitable in his case.

Note.

Care should be taken to give proper weight to the protective phrase "without reasonable cause" in 5b and 5c above. Thus it would be reasonable to refuse work if it was not within the person's physical capacity or the rate of wages and other conditions were not up to recognised standards.

September, 1945.
MEMORANDUM FOR DISABLEMENT ADVISORY COMMITTEES

Introductory

1. The Disabled Persons (Employment) Act (Northern Ireland), 1945, was brought into force on the 23rd July, 1945.

2. Section 17 of the Act requires the Ministry to establish a central advisory council and district advisory committees. The district advisory committees will be known as Disablement Advisory Committees ("D.A.Cs."). Para. 5 of the Second Schedule to the Act empowers the Ministry to make Regulations with respect to the procedure of the Committees and such regulations—the Disabled Persons (District Advisory Committees and Panels) (Procedure) Regulations (Northern Ireland), 1945—were made on 13th September, 1945.

3. Under para. 2 of the Second Schedule to the Act each D.A.C. is required to establish one Panel, and may establish more Panels, and, with the exception mentioned in para. 7 (5) hereunder, may delegate to such Panels the duty of making recommendations to the Ministry on matters referred by it to the Committee under the Act.

Constitution of Disablement Advisory Committees

Membership.

4. In accordance with para. 1 (1) of the Second Schedule to the Act, the Chairmen and members of D.A.Cs. are appointed by the Ministry, and the constitution of each Committee is as follows:

(1) an independent Chairman;

(2) an equal number of persons appointed to represent employers and workers respectively; and

(3) a number of other persons with experience of or interest in the problem of disablement. In no case does the number of other persons exceed one-half of the total number of members of the Committee.

5. In the absence of the Chairman of the Committee, his functions may be performed by a member of the Committee who has been authorised for that purpose. The authorisation on behalf of the Ministry will be given at each meeting if the occasion arises.

Functions of Committees

6. The functions of the Committees are both advisory and executive. In their advisory capacity they are called upon to survey the general problem of disablement in their districts and to make recommendations on any steps that should be taken to meet it. They will no doubt examine the working of the Act in practice, including the work of Panels, and take steps to make its provisions known to employers, trade unions and the general public in their districts. They are not charged with any duty in regard to vocational training and industrial rehabilitation since these schemes are not organised on a district basis, but this does not preclude them from discussing the subjects in relation to the general problem in their own districts. The general duty of advising on problems of an advisory nature rests with the Committee itself and may not be delegated to a Panel. There is nothing, however, to prevent a Committee, if it so desires, setting up a special sub-committee (but not a Panel) to deal with any particular aspect of its work.

7. As regards their executive functions, Committees are required to make recommendations and reports on matters specifically referred to them under the various provisions of the Act ("Referred Items"), namely:

For Recommendations.

(1) Applications for entry in the Register of Disabled Persons which are not approved by the Ministry in the first instance (Section 7 (2) (b)).
(2) Removal of names from the Register owing to the non-fulfilment of a prescribed condition or the incurring of a disqualification (Section 8 (3)).

(3) Applications for reduction in an employer’s quota of registered disabled persons (Section 10 (5)).

(4) Applications by employers for permits to engage persons other than registered disabled persons in ordinary or designated employments where the employer so requests (Sections 11 (3) and 12 (3)).

For Reports.

(5) Reports on allegations of discharge of a registered disabled person without "reasonable cause" where immediately after such discharge the number of registered disabled persons employed is below the employer’s quota (Section 9 (7)) under the provisions of para. 2 of the Second Schedule to the Act, this question must be considered by the Committee itself and cannot be delegated to a Panel.

8. The statutory provision for Panels has been made to enable the “Referred Items” specified in para. 7 (1) to (4) to be dealt with by Panels and it is expected that the Committee will generally delegate the work accordingly.

Recommendations and reports by Committees (and Panels) will be considered by officers of the Ministry specially selected to deal with disabled persons, i.e. Disablement Rehabilitation Officers (“D.R.Os.”) at Employment Exchanges.

Constitution of Panels

10. Under the provisions of para. 2 of the Second Schedule to the Act each Committee is required to set up one or more Panels. The purpose of a Panel will be to enable the Committee to delegate matters of an executive character (see para. 8). It is assumed that Committees will make the maximum use of Panels for this purpose. The number of Panels and their location will be for the Committee to decide in the light of the volume of work likely to arise in the district.

Membership of Panels

11. Members of a Panel need not be members of the Committee, but Panel membership is subject to the approval of the Ministry. Committees will no doubt agree that each Panel should include, so far as possible, at least one member of the Committee in order to secure general co-ordination of the work. Where there is a member of a Committee who is connected with the locality to be covered by a Panel, such member might be included in the Panel membership.

12. Each Panel should normally consist of five persons but this number may be increased if desired. The five persons constituting a Panel should be:

(1) an independent person as Chairman;
(2) one person to represent employers;
(3) one person to represent workers;
(4) one other person with experience of or interest in the problem of disablement;
(5) one of the medical practitioners nominated for the purpose of a reference or references involving a medical question.

Functions of Panels

13. The functions of Panels will be limited to the making of recommendations on matters of the kind specified in para. 7 (1), (2), (3) and (4) which are referred by the Ministry to the Committee and which the Committee delegates to them. It is to be noted that references calling for recommendation and report on allegations of discharge of a registered disabled person without “reasonable cause” (Section 9 (7) of the Act) may not, under para. 2 of the Second Schedule to the Act, be so delegated.

Frequency of Meetings of Committees and Panels

14. It is for the Committees to decide the frequency of their meetings in the light of the volume of work and the extent to which “Referred Items” are delegated to Panels.
Dates of Meetings

15. The Secretary to the Committee will consult the Chairman as to the subjects of an advisory nature to be discussed and the number and nature of the "Referred Items" (excepting those referred to in para. 7 (5)), which are to be dealt with by a Panel. He will also agree with the Chairman the dates of meetings of the Committee and its Panels.

Issue of Notices and Agenda to Members of Committee or Panel

16. Seven days' notice of the time and place at which a Committee or Panel will sit will be sent to members, except that in the case of Panels, the medical practitioners will normally be nominated in rotation for the hearing of references involving medical questions. An agenda will be issued with notices to members of a Committee where matters of an advisory nature are to be discussed. It is not proposed, however, to issue an agenda giving particulars of "Referred Items" due to be considered by Committees or Panels. In such cases particulars of each item will be prepared on case papers and a copy will be handed to each member who attends the meeting.

Attendance of Officials

17. The advice of the Employment Exchange Managers will be available to the Committees and Panels. The Secretary to each Committee and Panel will be an officer of the Employment Exchange to which the Committee or Panel is attached. Officers of Government Departments may be present and speak at meetings of Committees and Panels, but they will not have the right to vote.

April, 1946.
RESOLUTION OF THE HOUSE OF COMMONS

WEDNESDAY, 25TH JANUARY, 1956

Elections Select Committee.—Resolved, That a Select Committee be appointed to consider whether the election of any of the following Members, that is to say:

1. Captain the Rt. Hon. Sir Norman Stronge,
2. The Rt. Hon. Sir William McCleery,
3. Dr. Eileen Hickey,

is invalid on the ground that at the time of his or her election he or she held an office or place of profit under the Crown within the meaning of Section 24 of the Succession to the Crown Act, 1707, and to report whether any such Member appears on that account to have been incapable of election to this House, and, if so, what representations should be made to Her Majesty’s Government. (The Attorney-General.)

Ordered, That notwithstanding anything contained in Standing Order No. 50, the Committee shall consist of seven Members.

(The Attorney-General.)

Motion made and Question proposed, That Mr. Faulkner, Mr. Hawthorne, Capt. Henderson, Mr. Irwin, Mr. J. W. Morgan, Mr. W. J. Morgan and Mr. McConnell be members of the Committee.

(The Attorney-General.)

After Debate thereon, Question put and agreed to.

Ordered, That four be the quorum of the Committee.

Ordered, That the Committee have power to send for persons, papers and records.

Ordered, That the Committee have leave to sit notwithstanding any adjournment of the House.

(The Attorney-General.)
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PROCEEDINGS OF THE COMMITTEE

FIRST DAY
TUESDAY, 31st JANUARY, 1956

Members Present:

MR. A. B. D. Faulkner  
MR. I. G. Hawthorne  
CAPT. O. W. J. Henderson  
MR. R. W. B. McConnell

MR. S. T. Irwin  
MR. J. W. Morgan  
MR. W. J. Morgan

MR. McConnell was called to the Chair.


Witnesses examined:

Major J. W. McConnell, C.B.E., Secretary.

Mr. H. Anderson, Assistant Secretary, Ministry of Labour and National Insurance.

Mr. R. Eagleson, Secretary, National Assistance Board.

SECOND DAY
THURSDAY, 2nd FEBRUARY, 1956

Members Present:

MR. A. B. D. Faulkner  
MR. I. G. Hawthorne  
CAPT. O. W. J. Henderson  
MR. R. W. B. McConnell

MR. J. W. Morgan  
MR. W. J. Morgan

Mr. McConnell in the Chair.

Witnesses examined:

Miss Eileen M. Hickey, B.Sc., M.D., D.P.H., F.R.C.P.I.


Capt. The Rt. Hon. Sir Norman Stronge, Bart, M.C., H.M.L.

T. Stanley Lyle, Esq., Assistant Secretary, Association of Northern Ireland Chambers of Commerce.


Consideration and adoption of the Draft Report.
REPORT

Your Committee, appointed to consider whether the election of the following Members, that is to say:—

Captain the Rt. Hon. Sir Norman Stronge, Bart.,
The Rt. Hon. Sir William McLeery,
Dr. Eileen Hickey,

is invalid on the ground that at the time of their election they held an office or place of profit under the Crown within the meaning of Section 24 of the Succession to the Crown Act, 1707; and to report whether such Members appear on that account to have been incapable of election to this House, and, if so, what representations should be made to Her Majesty's Government—

Your Committee have held two meetings and have examined the Attorney-General; Major J. W. McConnell, C.B.E., Secretary, Ministry of Labour and National Insurance; Mr. R. Eagleson, Secretary, National Assistance Board; Mr. H. Anderson, Assistant Secretary, Ministry of Labour and National Insurance; Mr. T. Stanley Lyle, Assistant Secretary, Association of Northern Ireland Chambers of Commerce, and the Members whose election to the House of Commons was under consideration. Memoranda were also submitted by the Attorney-General and the Ministry of Labour and National Insurance.

Your Committee have also considered the Reports of the Select Committees of the House of Commons at Westminster which were set up to consider the cases of Mr. Charles Alfred Howell and Mr. Charles Beattie.

Your Committee are advised that the law on the subject of Disqualification may be summed up as follows:

Section 24 of the Succession to the Crown Act, 1707, provides that no person having an office of profit under the Crown shall be capable of being elected, or of sitting or voting as a Member of the House of Commons.

In 1793 the Irish Parliament passed the House of Commons Disqualification Act (Ireland), 1793. Section 1 of such Act imposed a similar disqualification in respect of membership of the Irish House of Commons.

The House of Commons (Disqualifications) Act, 1801, Section 1, provided that all persons disabled from or incapable of being elected, sitting or voting in the House of Commons of any Parliament of Great Britain should be disqualified from being elected or sitting or voting in the House of Commons of any Parliament of the United Kingdom as Member for Great Britain. Section 2 provided similarly that all persons disqualified from being elected, sitting or voting in the House of Commons of any Parliament of Ireland should be disqualified from being elected, sitting or voting in the House of Commons of any Parliament of the United Kingdom as Members for Ireland. Section 3 provided that persons disqualified by British Statutes should not be enabled to sit and vote in the House of Commons of the Parliament of the United Kingdom as Members for Ireland, nor should persons disqualified by Acts of the Parliament of Ireland be enabled to sit or vote in the Houses of Parliament of the United Kingdom as Members for Great Britain.
Section 18(2) of the Government of Ireland Act, 1920, applied the law for the time being in force relating to the qualification and disqualification of Members of the Commons House of Parliament of the United Kingdom to the Members of the Senate and House of Commons of Northern Ireland.

Dr. Eileen M. Hickey

Your Committee find that Dr. Eileen M. Hickey accepted an appointment, on the 10th September, 1945, as member of the Advisory Committee for the Belfast Area set up under Section 30 of the Unemployment Assistance Act (Northern Ireland), 1930. In November, 1955, the Board was reconstituted and Dr. Hickey accepted reappointment to membership on 1st December, 1955, but resigned her membership on the 13th December, 1955. Dr. Hickey's membership of this advisory committee requires some explanation.

Section 30 of the Unemployment Act (Northern Ireland), 1934, established an Unemployment Assistance Board. It was renamed the Assistance Board for Northern Ireland by the Old Age and Widows Pension Act (Northern Ireland), 1940, and later renamed the National Assistance Board for Northern Ireland by the National Assistance Act, 1948.

Under the 1934 Act the Board was required to arrange for the establishment of Advisory Committees for such areas as the Board thought fit, and Section 30 provided that the Board might pay to members of Advisory Committees "such travelling and other allowances including compensation for loss of remunerative time" as the Board after consultation with the Minister of Labour and with the consent of the Ministry of Finance, might determine.

The Act of 1934 was repealed by the National Assistance Act (Northern Ireland), 1948, but Section 3 of the 1948 Act provides that the National Assistance Board may arrange for the establishment of Advisory Committees for such areas as the Board may think fit and further that the Board shall pay to members of Advisory Committees such travelling and other allowances, including compensation for loss of remunerative time, as the Board may determine. It was further provided that Advisory Committees appointed under the 1934 Act should, unless and until the Board otherwise determined, be deemed to be Advisory Committees established under Section 3 of the National Assistance Act, 1948.

Dr. Eileen Hickey was appointed a member of the Advisory Committee in September, 1945. She was invited to undertake this duty in a letter from Mr. Thomas Elwood, an officer of the Board, and she accepted the invitation by letter dated 10th September, 1945.

In November, 1955, the Chairman of the Board was considering the reappointment of the Advisory Committee, and on 28th November, 1955, he invited Dr. Hickey to continue to act. On 1st December, 1955, Dr. Hickey agreed to do so.

It will be noted that Dr. Hickey's first appointment in 1945 resulted from correspondence between herself and Mr. Thomas Elwood, then an officer of the Board, and that her appointment in December, 1955, resulted from the letters passing between herself and the Chairman of the Board.

Both the Act of 1934 and the Act of 1948 contain the following provision:

"The functions of the Board, and of the officers and servants appointed by the Board, shall be exercised on behalf of the Crown."

In these circumstances your Committee are advised by the Attorney-General that in respect of her first, and subsequent appointments to the
Advisory Committee, Dr. Hickey held an office, and held it under the Crown, and the provision in both Statutes for payment of travelling and other allowances, including compensation for loss of remunerative time, would bring her case within the principles established by the Howell and Beattie cases, despite the fact that Dr. Hickey neither claimed nor was paid any expenses, allowances, compensation or remuneration of any kind at any time.

Your Committee are satisfied, therefore, that the office held by Dr. Hickey constituted an office of profit as defined by the relevant Statutes, that at the time of her election to the House of Commons in February, 1949, and of her re-election in October, 1953, Dr. Hickey held an office of profit under the Crown and that as a consequence her election was invalid.

Your Committee are satisfied that Dr. Hickey acted in all good faith and without any knowledge of the legal complexities involved, and that at no time did she apply for or receive any remuneration or expenses of any kind whatsoever.

Sir William McCleery

The case of Sir William McCleery is rather complicated and requires a somewhat fuller explanation than that of Dr. Hickey.

It starts with a Statute of the United Kingdom Parliament, The Reinstatement in Civil Employment Act, 1944. That Act gives certain persons rights of reinstatement in former employment on release from War Service, and if any person considered that his rights were being denied to him he could apply to a Reinstatement Committee. If aggrieved by the determination of the Reinstatement Committee he had the further right of appeal to an Umpire and the Umpire was required to sit with two Assessors appointed by the Minister of Labour and National Service in the United Kingdom Government.

The National Service Act, 1948, consolidated the National Service Acts 1939-1947 and the Reinstatement in Civil Employment Act, 1944, so far as the latter Act applies to persons called up for National Service after 31st December, 1948. The continuing application of the Reinstatement in Civil Employment Act, 1944, is limited by Section 59 of the National Service Act, 1948, and provision with regard to Assessors is made in Sections 43, 49, and 59 of this Act. Sections 43 and 59 provide that after the passing of the Act of 1948 any Assessor appointed under the Act of 1944 shall be deemed to have been appointed under Section 43 of the Act of 1948. No Assessor shall be appointed under Section 10 of the Act of 1944 and any reference in Section 10 of the Act of 1944 shall be construed as a reference to an Assessor appointed or deemed to be appointed under Section 43 of the Act of 1948. The 1948 Act provides that the Minister of Labour may pay to persons appointed to sit as Assessors "such remuneration and allowances as the Minister may, with the approval of the Treasury, determine."

On 28th July, 1944, an arrangement under Section 63 of the Government of Ireland Act, 1920, was made between the United Kingdom Minister of Labour and the Ministry of Labour for Northern Ireland for the exercise of the powers and duties under the Reinstatement in Civil Employment Act, 1944, by officers of the Ministry of Labour for Northern Ireland on behalf of the United Kingdom Minister. The agreement provided that in Northern Ireland the powers and duties of the United Kingdom Minister should be exercised and performed by the Permanent Secretary or by an Assistant Secretary of the Ministry of Labour for Northern Ireland.

Under this arrangement, Sir William McCleery, who had been nominated by the Association of Northern Ireland Chambers of Commerce, was appointed
on the 14th November, 1944, as an Assessor for the purpose of the Reinstatement Act of 1944.

He was appointed by a minute dated 14th November, 1944, signed by Mr. H. Anderson, then an Assistant Secretary to the Ministry of Labour for Northern Ireland.

If Sir William McCleery had acted as Assessor he would have been entitled to a fee of two guineas a sitting, subject to a limit of £21 per week, and travelling expenses. We are satisfied that Sir William never acted as Assessor and neither claimed nor received either remuneration by way of fees or otherwise, or expenses.

Your Committee are satisfied, on the advice of the Attorney-General, that Sir William McCleery held an office, and held it under the Crown, since Mr. Anderson, in making the appointment, did so on behalf of the United Kingdom Minister, and as Sir William McCleery would have been entitled to receive fees if he had acted, your Committee are satisfied that it was an office of profit.

Your Committee are satisfied, therefore, that when Sir William McCleery was elected to the House of Commons in 1945 and when he was re-elected in 1949 and 1953, he held an office of profit under the Crown and that his election was consequently invalid.

Your Committee are, however, satisfied also that Sir William McCleery acted in all good faith and without any knowledge of the legal complexities involved.

Sir Norman Stronge

Your Committee find that Sir Norman Stronge accepted appointment on the 14th June, 1947, at the request of the then Minister of Labour and National Insurance as Chairman of the Central Advisory Council for the Employment of the Disabled under the Disabled Persons (Employment) Act (Northern Ireland), 1945, and he continued in this appointment until he resigned on the 16th January, 1956, on receipt of a letter from the Prime Minister informing him that he may have been disqualified from sitting and voting in the House of Commons owing to the fact that the Chairmanship of this Committee might be considered as an office of profit under the Crown.

Sir Norman Stronge was first elected to the House of Commons on 29th September, 1938, and was last re-elected in October, 1953.

The Attorney-General informed your Committee that he would feel constrained by the authority of the precedents established in similar cases to advise that if Sir Norman Stronge was appointed Chairman of the Central Advisory Council for the Employment of the Disabled so that the emoluments attached to the appointment under paragraph 4 of the Second Schedule of the Act became payable, then, notwithstanding the fact that no such emoluments were ever paid to Sir Norman Stronge the appointment was in his opinion an office of profit under the Crown within Section 24 of the 1707 Act.

Your Committee, having carefully considered the evidence of Sir Norman Stronge and the other witnesses called, including that of the Attorney-General, are satisfied that Sir Norman Stronge was appointed and acted as Chairman of the Central Advisory Council and that during this period he was a Member of the House of Commons.

Your Committee are also satisfied, in view of the advice of the Attorney-General, that this office constitutes an office of profit under the Crown within the meaning of the relevant Statutes, and this opinion is reinforced by recent
decisions at Westminster. Your Committee therefore conclude that at the time of his last election to the House of Commons, Sir Norman Stronge held an office of profit under the Crown and as a consequence his election was invalid.

Your Committee are satisfied that Sir Norman Stronge acted in all good faith and without any knowledge of the legal complexities involved, and that at no time did he apply for or receive any remuneration or expenses of any kind whatsoever during the period he was chairman and that when the question of his possible disqualification was brought to his attention in a letter from the Prime Minister he immediately resigned not only the Chairmanship of the Advisory Council but also the Speakership of the House of Commons.

Your Committee therefore recommend that representations should be made immediately to Her Majesty's Government to introduce the necessary legislation to indemnify Sir Norman Stronge, Sir William McCleery and Dr. Eileen Hickey and to validate their election.
MINUTES OF EVIDENCE
FIRST DAY
TUESDAY, 31st JANUARY, 1956

The Elections Select Committee met in Room 17, Parliament Buildings, Stormont, on Tuesday, 31st January, 1956.

There were present:—Mr. Faulkner, Mr. Hawthorne, Captain Henderson, Mr. Irwin, Mr. J. W. Morgan, Mr. W. J. Morgan, and Mr. McConnell.

The Attorney-General (Mr. Edmond Warnock, Q.C.); Major J. W. McConnell, C.B.E., Secretary, and Mr. H. Anderson, Assistant Secretary, Ministry of Labour and National Insurance; and Mr. R. Eagleson, Secretary to the National Assistance Board were in attendance.

The Secretary (Major George Thomson): By Section 18(2) of the Government of Ireland Act, 1920, it is declared that the law for the time being in force relating to the qualification and disqualification of the Members of the Commons House of Parliament of the United Kingdom shall, save as otherwise provided by the Act, apply to Members of the House of Commons of Northern Ireland. There are a number of other Statutes dealing with the subject, but I do not propose to trouble the Committee with them, certainly not at this stage. As I see it, the Act of 1707 must be our guide.

The Chairman: Mr. Attorney-General, the effect of the Statutory enactments we should thank you for coming to assist us as you have found them.

The Attorney-General: I have prepared a memorandum, which I dictated last night, and I think it might help the Members of the Committee in following what I am going to say if I gave each Member a copy of it. In some respects it is rather involved, and I think the Members would follow it much more easily if they had the typescript before them. (Copies handed to Members.) If I may I shall just read it, and perhaps make a few interpolations.

The Chairman: I think that would be better.

The Attorney-General: As this is the first occasion upon which a Select Committee of our House of Commons has been called upon to consider any question of disqualification, and as few of us had, until very recently, any exact knowledge of the subject, perhaps it would assist the Committee if I were to make a general statement.

The Succession to the Crown Act, 1707, provided, inter alia, that any person holding an office of profit under the Crown is incapable of being elected or of sitting or voting as a Member of the House of Commons. The penalty for sitting and voting in breach of the Act of 1707 is the sum of £500, which can be recovered by a Common Informer.

By Section 18(2) of the Government of Ireland Act, 1920, it is declared that the law for the time being in force relating to the qualification and disqualification of the Members of the Commons House of Parliament of the United Kingdom shall, save as otherwise provided by the Act, apply to Members of the House of Commons of Northern Ireland. You primary task is to consider whether Sir Norman Stronge, Sir William McCleery and Dr. Eileen Hickey, or any of them, held such an office.

When questions of this nature have arisen at Westminster in recent years it has been the usual, but not the invariable, practice to appoint a Select Committee of the House to consider and report. These problems do not ordinarily come before the courts of law. It is possible that they could do so, if a Common Informer sued for penalties, but I am not aware of any such case. The precedents to which we must look for guidance are to be found in the records of the proceedings of these Select Committees, their recommendations, and the subsequent actions of Parliament itself. I would advise this Select Committee to regard such precedents as authoritative, and, in reaching conclusions, to be guided by them. At Westminster it has been customary for the Law Officers to attend the Committee and to try to assist, and I am here to-day in compliance with this practice.

May I take first the case of Sir Norman Stronge. In 1945 our Parliament passed the Disabled Persons (Employment) Act to make better provision for enabling persons handicapped by disablement to secure employment, and by Section 17 the Ministry
of Labour was required to establish a central advisory council charged with the duty of advising and assisting the Ministry in matters relating to the employment of disabled persons generally. In June, 1947, Sir Norman accepted the position of Chairman of this advisory council, being appointed thereto by the Minister of Labour.

The Statute (by the Second Schedule) authorises the payment, out of moneys provided by Parliament, to the members of the Council, of "such travelling and other allowances, including compensation for loss of remunerative time"—I would draw the attention of the Committee to those words—as the Ministry, with the approval of the Ministry of Finance, might determine.

I understand that you will have before you a copy of a memorandum issued by the Ministry of Labour for the information of members of local tribunals, and of members of committees under the Disabled Persons Act. The opening paragraph reads: "Service on the bodies referred to is regarded as voluntary and unpaid". I am informed by the Ministry of Labour—and you will have evidence to this effect—that Sir Norman has never at any time asked for or received any payment whatever, whether by way of expenses, allowances, compensation or otherwise in respect of his services on this advisory council.

I think that on the authority of the cases to which I will refer later the Committee should conclude that Sir Norman held an office and held it under the Crown, but in the circumstances you may be puzzled to know how it could be described as an office of profit. I think it can be confidently stated that the actual receipt of remuneration is not necessary to constitute an office one of profit. This would appear to be established by some very recent cases considered by Select Committees at Westminster. The two cases to which I am about to refer are not only the most recent cases—they were actually considered in November and December last year—but they also appear to me to be very relevant.

On 1st December, 1954, Mr. Howell, not at that date a Member of Parliament, was appointed to two panels from which are drawn the employees' representatives to sit on local tribunals under the National Insurance and National Insurance (Industrial Injuries) Acts. He was not appointed to the tribunals, but to the panels only. He continued to hold these appointments until August, 1955, by which time he had been elected a Member of the House of Commons. I think he came in at a by-election.

Mr. Howell never sat on a tribunal. He was summoned once, but did not attend. The letter appointing him to the panels expressly stated that no fees were payable, but that expenses on a certain scale were allowed. It is provided, however, in the Statutes themselves that members of tribunals may be paid such remuneration and such travelling and other allowances as the Minister may, with the concurrence of the Treasury, determine.

The Select Committee came to the conclusion, after hearing evidence, including that of the Attorney-General, that since under the Statutes remuneration could be paid if the Minister and the Treasury so determined, Mr. Howell's appointments were to offices of profit.

The case of Mr. Charles Beattie was considered in December last. Mr. Beattie held similar appointments under the two corresponding Northern Ireland Statutes, National Insurance and National Insurance (Industrial Injuries) Acts, and following its own conclusion in Mr. Howell's case, the Committee held that Mr. Beattie's appointments were offices of profit.

Mr. Beattie also held an appointment under the National Assistance Act, and in this case he was entitled to allowances, including compensation for loss of remunerative time. The words are very similar to those which applied to Sir Norman Stronge's appointment. The report on Mr. Beattie's case states that after consideration the Attorney-General expressed the opinion that so far as Mr. Beattie was concerned those words made his office one of profit.

Sir Donald Somervell, when Attorney-General in 1941, giving evidence before the Herbert Committee—which was a Committee which sat to consider these questions of disqualifications—stated the principle which appears to have been accepted. He said:

The principle that has been adopted is that if emoluments have ever been attached to the office the fact that emoluments are not received by the particular holder is irrelevant.

And in Mr. Beattie's case the present Attorney-General (Sir Reginald Manningham-Buller) said that where an appointment of any kind was governed by a Statute it was the terms of the Statute and not the terms of any letter of appointment thereunder that had to be construed in deciding whether the appointment was an office of profit or not.

If the facts in the case of Sir Norman Stronge are as I have stated, I feel constrained by the authority of these precedents to advise the Committee that Sir Norman held an office, that he held it under the Crown, and that it was an office of profit.

I need hardly add that if the evidence which you receive varies or contradicts that upon which I have based my opinion I would wish to have an opportunity to consider whether it would lead me to alter my view. I am speaking now, of course, from information given to me, at my request, by the various Ministries, and the same observation applies to the cases of Sir William McCleery and Dr. Hickey.
Sir William McCleery's case is a little more complicated. It starts with a Statute of the United Kingdom Parliament, the Reinstatement in Civil Employment Act, 1944. This Act gives persons rights of reinstatement in former employment on release from war service, and if any person considered that his rights were being denied to him, he could apply to a reinstatement committee. If aggrieved by the determination of the reinstatement committee he had the further right of appeal to an umpire and the umpire was required to sit with two assessors appointed by the Minister of Labour and National Service in the United Kingdom Government. The next paragraph is to bring the matter up to date.

The National Service Act, 1948, consolidated the earlier National Service Acts, 1939-1947, and the Reinstatement in Civil Employment Act, 1944, so far as the latter Act applies to persons called up for National Service after 31st December, 1948. The continuing application of the Reinstatement in Civil Employment Act, 1944, is to bring the matter up to date.

Section 10 of the Act of 1944 shall be continued. An assessor shall be appointed under Section 10 of the Act of 1944 and any reference in Section 43 of the Act of 1948. The 1948 Act provides that the Minister of Labour may pay to persons appointed to sit as assessors “Such remuneration and allowances as the Minister may with the approval of the Treasury determine.” I think that paragraph is factually correct; I think it is a correct summary of the statutory position.

Up to this point we are dealing with the United Kingdom Statutes and the United Kingdom Minister of Labour.

On 28th July, 1944, an arrangement under Section 63 of the Government of Ireland Act, 1920, was made between the United Kingdom Minister of Labour and the Ministry of Labour for Northern Ireland for the exercise of the powers and duties under the Reinstatement in Civil Employment Act, 1944, by officers of the Ministry of Labour for Northern Ireland—and mark these words—on behalf of the United Kingdom Minister. The agreement provided that in Northern Ireland the powers and duties of the United Kingdom Minister should be exercised and performed by the Permanent Secretary or by an Assistant Secretary of the Ministry of Labour for Northern Ireland.

Under this arrangement Sir William McCleery, who had been nominated by the Association of Northern Ireland Chambers of Commerce, was appointed on the 14th November, 1944, as an assessor for the purpose of the Reinstatement Act of 1944. He was appointed by a minute dated 14th November, 1944, signed by Mr. H. Anderson, then an Assistant Secretary to the Ministry of Labour for Northern Ireland.

If he had acted as assessor he would have been entitled to a fee of two guineas a sitting, subject to a limit of £21 per week, and travelling expenses. I am informed that Sir William never acted as assessor and neither claimed nor received either remuneration by way of fees or otherwise, or expenses. That is not, perhaps, textually correct but it conveys the substance.

It would appear that Sir William held an office, and held it under the Crown, since Mr. Anderson in making the appointment did so on behalf of the United Kingdom Minister, and since he was entitled to receive fees I think it must follow, from the precedents, that it was an office of profit.

Dr. Hickey's membership of an advisory committee established under the National Assistance Act, 1934, established an Unemployment Assistance Board. That was the first of the Assistance Boards. It was renamed the Assistance Board for Northern Ireland by the Old Age and Widows Pension Act (Northern Ireland), 1940, and later renamed the National Assistance Board for Northern Ireland by the National Assistance Act, 1948.

Under the 1934 Act the Board was required to arrange for the establishment of advisory committees. If the Board thought fit, and Section 30 provided that the Board might pay to members of advisory committees “Such travelling and other allowances (including compensation for loss of remunerative time)” as the Board, after consultation with the Minister of Labour and with the consent of the Ministry of Finance, might determine.

The Act of 1934 was repealed by the National Assistance Act (Northern Ireland), 1948, but Section 3 of the 1948 Act provides that the National Assistance Board may arrange for the establishment of advisory committees—it is a re-enactment really—and mark these words—on behalf of the Ministry of Finance, might determine.

The Act of 1934 was repealed by the National Assistance Act (Northern Ireland), 1948, but Section 3 of the 1948 Act provides that the National Assistance Board may arrange for the establishment of advisory committees for such areas as the Board may think fit and further that the Board shall pay to members of advisory committees such travelling and other allowances, including compensation for loss of remunerative time, as the Board may determine. And it was further provided that advisory committees appointed under the 1934 Act should, unless and until the Board otherwise determined, be deemed to be advisory committees established under Section 3 of the National Assistance Act, 1948.

Dr. Eileen Hickey was appointed a member of the advisory committee in September, 1945. She was invited to undertake this duty in a letter from Mr. Thomas Elwood, an officer of the Board, and she accepted the invitation by letter dated 10th Septem-
ber, 1945. In November, 1955, the chairman of the Board was considering the reappointment of the advisory committees and on 28th November, 1955, he invited Dr. Hickey to continue to act. On 1st December, 1955, Dr. Hickey agreed to do so.

It will be noted that Dr. Hickey's first appointment in 1945 resulted from correspondence between herself and Mr. Thomas Elwood, then an officer of the Assistance Board, and that her appointment in December, 1955, resulted from the letters passing between herself and the Chairman of the Board.

Both the Act of 1934 and the Act of 1948 contain the following provision:

The functions of the Board, and of the Officers and servants appointed by the Board, shall be exercised on behalf of the Crown.

If Dr. Hickey had merely been appointed on Mr. Thomas Elwood's administrative act it might have been said that she did not hold an office under the Crown, but both the Acts of 1934 and 1948 provide that the functions of the Board and of the officers concerned shall be exercised on behalf of the Crown.

In these circumstances it would appear that in respect of her first, and subsequent appointments to the advisory committee, Dr. Hickey held an office, and held it under the Crown, and that on both Statutes for payment of travelling and other allowances, including compensation for loss of remunerative time, would apply. Dr. Hickey neither claimed nor was paid any expenses, allowances, compensation or renumeration of any kind at any time.

I have tried to summarise what I am informed are the salient facts in these three cases.

The Chairman: Are there any questions that any Members of the Committee would like to ask the Attorney-General.

Mr. Faulkner: It seems quite clear from the statement of the Attorney-General that there are three points that we have to determine in relation to disqualification: firstly, whether the Member concerned held an office; secondly, whether it was an office of profit; and, thirdly, whether it was under the Crown. The Attorney-General has told us quite clearly that each of the three Members concerned held offices of that kind. Unless we receive any evidence to the contrary in the course of our examination, we must be guided by what the Attorney-General has told us. The question I want to ask now is, if we are satisfied in each case that they are disqualified persons, then, firstly, what action does the Attorney-General recommend us to take as a Committee to indemnify them; and, secondly, am I right in assuming that having indemnified them there is nothing we can do about validating them, if that is the correct word; that we have got to pass on our views as a Committee to Westminster? If so, I want to ask the Attorney-General for advice as to how we do that. To whom do we send our views? That is really the thing I want to ask this. Perhaps I am going a little bit too fast and making too many points, but I am trying to get them all in at once. It seems quite clear from all this that the law is in a very difficult state in relation to this question of qualification and disqualification so can the Attorney-General tell us whether as a Select Committee we are entitled to make any recommendations for the future— or perhaps you can help us on this, Mr. Chairman—to prevent something of this kind happening again.

The Attorney-General: I should like to enlarge, if I may, for a moment. Mr. Faulkner has said that the law is in a very difficult state. You will readily see that I have looked into this matter with some care, and the law is in a state of remarkable complexity indeed. I am just going to give you three examples of very long standing confusion. Away back in 1873, when Mr. Gladstone was First Lord of the Treasury, he assumed the office of Chancellor of the Exchequer. There was great debate whether it was necessary for him at that time to seek re-election. Two of the law officers, Coleridge and Jessel, took the view that re-election was not necessary, while Lord Selborne, the then Lord Chancellor, and the Lord Advocate for Scotland were equally positive the other way. Coleridge and Jessel went to the Bench, two new law officers were appointed, and the case was sent to the two new law officers who gave the illuminating opinion that there were very weighty arguments in favour of re-election and equally weighty views the other way. That is as far as they went.

In 1909 the United Kingdom Parliament created the office of President of the Board of Trade. In 1912 it was discovered that every President of the Board of Trade who had held office from 1909 until 1932 was disqualified, and Sir John Simon, in a reference to the matter, said the penalties involved would be sufficient to pay for the war. In 1932 the Imperial Parliament had to pass an Act indemnifying every President of the Board of Trade and validating their election that was, indemnifying every President over a period of 23 years. Actually in 1915 even the Attorney-General found himself subject to very heavy penalties because he had been disqualified. I think that is enough to confirm Mr. Faulkner’s view that the law is in a very difficult state. He asked if, at the end of the Committee’s deliberations, you are satisfied that these three Members or any of them were holding an office of profit under the Crown what action the Committee could take. Your duty as the Committee is to report and find as a fact whether in your opinion
the three persons did hold such an office. That report goes to Parliament, and then it is for Parliament to declare, as I think our Parliament has power to declare, that these people are disqualified. My view would be that the Committee should find the facts. You would find in fact, if it be so, that these three people, or one or other or all of them, had incurred penalties on disqualification. It is for this Committee so to find. So far as the question of validation and indemnity is concerned, in my view—and it is the view generally held—our Parliament has power over its own membership to this extent, that it can say a Member is disqualified and put him out. I do not think our Parliament has power either to indemnify or validate, and that is a matter on which legislation, if it is to come, must come from the United Kingdom Parliament. I have not got a copy of your terms of reference.

Captain Henderson: I was just going to say that surely what we really want to do is to get back to our terms of reference. The first, as the Attorney-General mentioned, is finding whether they held office; secondly, whether they were incapable of being elected; and, thirdly, the question of representations.

The Attorney-General: Assuming that you find on the first point, that one or other or all of these persons held an office of profit under the Crown, then you would have to report accordingly. If you find in the first count then the answer to No. 2 is necessarily "Yes" and, thirdly, if so, what representations should be made to Her Majesty's Government. Having regard to the fact that these three persons have in the chaotic and difficult state of the law incurred penalties of disqualification, and the penal consequences might be very serious, I would suggest that as none of them ever received a penny and as it has been in the performance of public duties that they have incurred these consequences, the Committee might very properly recommend that legislation should be passed at Westminster to validate and indemnify them. When I say that I am not suggesting that any request should be made to Westminster which is not in consonance with what Westminster has done in its own cases.

There have been in recent years eight Acts at Westminster validating 12 persons. I have in my memorandum referred to Mr. Howell; his election was validated. In 1955 a Mr. Holland-Martin, who had incurred disqualification under somewhat similar circumstances, had his election validated. Mr. Niall Macpherson, who had incurred disqualification because he held office as a member of the London Agency of the Dried Fruit Board of the Commonwealth of Australia, had his election validated. In 1949 two Members of Parliament who had been members of the General Medical Council and who had incurred disqualification, had their elections validated. In 1946 a Select Committee sat and as a result of their recommendations the Members who had been disqualified for Camberwell, Bristol and Nottingham had their elections validated. In 1945 a Select Committee found that such remuneration as received was negligible compared with the expenses which the Member had incurred. That was the case of the Members for Coatbridge and Springburn. Those were validated. So we have since 1945 precedents of eight Acts in the Imperial Parliament validating the election of 12 persons. If the Committee thought fit at the end of their deliberations to make such a recommendation I think it would be in consonance with the practice at Westminster.

The Secretary: It would have to be a recommendation from this Committee to our House that our Government should make representations to Westminster. Did I miss anything, Mr. Faulkner?

Mr. Faulkner: You have covered all the points I mentioned. There is a point that is puzzled me in regard to the machinery in making representations to Her Majesty's Government in this matter, which is something which, according to our terms of reference, we are required to do. I want to know the machinery.

The Secretary: Subject to correction by the Attorney-General, the procedure would be that this Committee would have to make a Report to the House asking the House to make representations to our Government. I say that because it is the Government that make representations to the Imperial Government. The House would have to instruct our Government to make representations in view of the Report of the Select Committee.

The Attorney-General: Is this not the machinery? The Committee report to our House and the House presumably—it is at liberty to reject your Report—will deal with it. The question which is passing through your mind Mr. Faulkner, is one which will become apt for consideration when drafting your Report. You report to our House, and then it will be for the Government if they act on your Report, to make representations.

Mr. J. W. Morgan: Does the Memorandum issued by the Ministry of Labour and National Insurance in the case of Sir Norman Stronge—it refers to voluntary and unpaid services—apply to the three cases?

The Attorney-General: I cannot answer your question, Mr. Morgan, because I cannot put that document into Sir Norman Stronge's hands. I have a copy of it here.

The Secretary: Each member of the Committee has a copy of it.
The Attorney-General: That is a document sent out by the Ministry of Labour and National Insurance to all members when they are appointed to these committees. I understand that it is sent out as a matter of form to each member. If a person is appointed to a committee the Ministry send him a copy of the document. In fact, it is textually similar to the document which the British Ministry of Labour issue in similar circumstances. Although I cannot put my finger on the place, I rather think an exactly similar document was in existence in Mr. Howell's case when it was before the British Select Committee. I cannot put that document into Sir Norman Stronge's hands or into the hands of Sir William McCleery or Dr. Hickey. I cannot say that they received it, but it is customary for the Ministry to send it out.

The Secretary: They will be able to give evidence in regard to it.

The Chairman: We will have the witnesses from the Ministry of Labour and National Insurance.

The Secretary: In the case of Dr. Hickey a representative from the National Assistance Board will appear before the Committee.

Mr. J. W. Morgan: That is vital. It is stated in the document that their services were voluntary and unpaid.

The Attorney-General: That is so. Whatever document was in existence in Mr. Howell's case when it was before the British Select Committee. I cannot put that document into Sir Norman Stronge's hands or into the hands of Sir William McCleery or Dr. Hickey. I cannot say that they received it, but it is customary for the Ministry to send it out.

Captain Henderson: It was possible for them to get it.

The Attorney-General: Yes.

Captain Henderson: Should we then not go ahead with the first part of our terms of reference and find whether they held these offices? These documents are not sufficient evidence, or are they?

The Chairman: We shall hear the representatives of the Ministry of Labour and National Insurance, and also the three Members concerned.

The Attorney-General: Captain Henderson, I really cannot give evidence. I have tried to give you a general summary which would indicate the sort of evidence you want. I cannot give the evidence because I have no personal knowledge. That document is provided by the Ministry of Labour and National Insurance and I have summarised it. So far as facts are concerned, I am not in a position to give evidence in regard to any of them.

The Chairman: Is there anything else any Member of the Committee wishes to ask the Attorney-General? I am sure if we require your assistance at a later stage, Mr. Attorney-General, you will be only too glad to assist the Committee.

The Attorney-General: Thank you very much. Good morning, gentlemen.

The Chairman: If we deal first with Sir Norman Stronge perhaps the Ministry of Labour could help us with the details of the appointment.

Major McConnell: We have submitted to the Committee a memorandum with some attachments, and, if the Committee like, Mr. Major McConnell will read out in full what I have put on paper.

The Attorney-General: Certainly. I have kept this week fairly free knowing that the Committee was going to sit. Even at short notice I will be able to appear if the Committee feel I can help them further.

The Chairman: I should like to thank you for your assistance.

The Attorney-General: Thank you very much. Good morning, gentlemen.

Major McConnell, Mr. Anderson and Mr. Eagleson called.

The Chairman: If we deal first with Sir Norman Stronge perhaps the Ministry of Labour could help us with the details of the appointment.

Major McConnell: We have submitted to the Committee a memorandum with some attachments, and, if the Committee like, Mr. Major McConnell will read the document in full.

The Secretary: Thank you. I have been asked to read it.

The following memorandum by the Ministry of Labour and National Insurance was read by Mr. Anderson:

Under Section 17 of the Disabled Persons (Employment) Act (Northern Ireland), 1945, it is the duty of the Ministry to establish a central advisory council to advise and assist it in matters relating to the employment, undertaking of work on their own account or training of disabled persons generally. The Second Schedule to the Act authorises the payment by the Ministry out of moneys provided by Parliament to the members of the council of "such travelling and other allowances, including compensation for loss of remunerative time, as the Minister, in the approval of the Minister of Finance, may determine. Particulars of the current rates of expenses and allowances so approved and determined, and the conditions subject to which they are payable, are attached.

The first Chairman (Lord MacDermott) of the Central Advisory Council for the Employment of the Disabled, set up under the Act, resigned in 1947, and the Minister of Labour, by letter dated 12th June, 1947, invited Sir Norman Stronge, Bart., M.C., H.M.L., to succeed him. Sir Norman Stronge accepted the appointment in a letter dated 14th June, 1947. The Minister received a letter of resignation from membership of the Council from Sir Norman Stronge on 16th January, 1956. This was accepted by the Minister in a letter dated 17th January, 1956. Copies of the letters relating to Sir Norman Stronge's appointment and resignation are attached.

Sir Norman never claimed or was paid any remuneration, allowances or expenses in respect of his appointment as chairman of the council.
The Chairman: Is there any question that any member of the Committee wishes to ask Mr. Anderson about Sir Norman Stronge's case?

Mr. J. W. Morgan: When Sir Norman Stronge was appointed did he receive a memorandum from the Ministry of Labour and National Insurance stating that his services would be regarded as voluntary and unpaid?

Mr. Anderson: He got a letter from the Minister. I do not think there is any reference in that letter to payment. The letter is attached to the memorandum.

Mr. W. J. Morgan: Was there anything that would convey to Sir Norman that it would be a paid post?

Mr. Anderson: No.
The Chairman: I think perhaps what Mr. J. W. Morgan had in mind was that in the memorandum that you read it is stated that the particulars of the current rates of expenses and allowances so approved and determined, and the conditions subject to which they are payable, are attached. There is an attached sheet showing these matters. What Mr. J. W. Morgan had in mind was that sheet which is attached to the memorandum sent to Sir Norman Stronge?

Mr. Anderson: I cannot tell you whether or not Sir Norman got a copy of that. The memorandum states:

Service on the bodies referred to above is regarded as voluntary and unpaid, and any allowances that may be payable in respect of attendance at meetings, whether on account of travelling, subsistence or compensation for loss of earnings, are intended only to reimburse to members amounts actually and necessarily expended or lost, and are in no sense a payment for services rendered.

That was the Ministry's view until doubt was cast on it very recently.

The Chairman: I take it that it is customary to send out that intimation to people appointed?

Mr. Anderson: That may or may not have been done. Quite possibly it was not done in Sir Norman's case.

Major McConnell: The purpose of this memorandum is for circulation to members of committees for their information. We cannot say whether a copy of this memorandum was included.

Captain Henderson: In point of fact, had Sir Norman claimed those expenses he would have been paid?

Mr. Anderson: If you look at the memorandum you will see that he could have been paid travelling and subsistence allowances in certain conditions, but I gather that the matter really of interest to the Committee is the provision in the Act in respect of payment of compensation for loss of remunerative time. If you look at the memorandum you will see that the actual provision made for payment of compensation for loss of remunerative time is very limited indeed. First of all, compensation for actual loss of earnings up to a maximum of 30s. a day (in addition to subsistence when due) is payable to workmen representatives who are working men following their trades. Obviously Sir Norman does not come into that category and would have no title to be paid there. Then employer or workmen representatives who, although in business on their own account, actually work at their trade in the same or similar way as though they were journeymen working for wages for at least three-quarters of the recognised number of normal working hours. A member in that occupation may, if their attendance at a meeting has involved them in loss of remunerative time, receive an allowance at a rate not exceeding the rate of wages payable in the district to workmen of the same trade up to a maximum of 30s. a day—in addition to subsistence when due. Where the performance of remunerative work is merely advanced or deferred, no compensation is payable.

Captain Henderson: That is for actual compensation, but if he had claimed actual expenses the Ministry would have paid him?

Mr. Anderson: Oh yes, he could have claimed them.

Mr. Faulkner: Is the information which is given to people by the Ministry of Labour when they accept these appointments exactly the same as the information coming from the Ministry of Labour and National Service in Great Britain? Are the letters of appointment couched in the same terms?

Mr. Anderson: Not necessarily.

Mr. Faulkner: Not necessarily?

Mr. Anderson: No. Sir Norman's appointment here was by a letter from Mr. Maginess, who was the Minister at that time.

Mr. Faulkner: But when this Memorandum is issued does it follow a British pattern?

Mr. Anderson: Very largely, yes. As a matter of fact, the limits of our compensation may not be quite the same, but by and large our provision is the same.

Mr. J. W. Morgan: I would like to ask Mr. Anderson a question. In the British case, where a Member of Parliament or any person acts on one of these committees does he receive a memorandum similar to the one issued by, say, the Ministry of Labour here, where it states definitely that the position is to be regarded as voluntary and unpaid? Is that in the British memorandum?

Mr. Anderson: That I could not tell you.

Major McConnell: On that point perhaps I could remind the members of the Committee that there was a case in the British House of Commons which led to some pronouncement by, I think, the Attorney-General, that it was not a question of
what was in any official document but rather what were the statutory provisions, so that point must have been present in his mind.

Mr. Faulkner: Quite.

The Chairman: Is there anything else as regards Sir Norman Stronge? If not, perhaps we could pass on to Sir William McCleery now. Mr. Anderson, would you adopt the same procedure and read the memorandum?

The following Memorandum was read by Mr. Anderson:

The Reinstatement in Civil Employment Act, 1944, passed by the Parliament of the United Kingdom, gives certain rights of reinstatement in their former employment to persons released from war service. The Act provides that a person who claims to have rights under which are being or have been denied to him may apply to a reinstatement committee to make an order; when considering such an appeal Section 10 of the Act requires the umpire or deputy umpire to sit with two assessors appointed by the Minister of Labour and National Service, and Section 19 provides for the payment out of moneys provided by Parliament to assessors so appointed of such remuneration and allowances as the Minister may, with the approval of the Treasury, determine.

The National Service Act, 1948, which came into operation on the 1st January, 1949, consolidated the National Service Acts, 1939 to 1947, and the Reinstatement in Civil Employment Act, 1944, so far as the latter Act applies to persons called up for National Service after the 31st December, 1948. The continuing application of the Reinstatement in Civil Employment Act, 1944, is limited by Section 59 of the National Service Act, 1948, and provision with regard to assessors is made in Sections 43, 49 and 59 of the latter Act. Sections 43 and 59 provide that after the passing of the Act of 1948 any assessor appointed under Section 10 of the Act of 1944 shall be deemed to have been appointed under Section 43 of the Act of 1948; no assessor shall be appointed under Section 10 of the Act of 1944, and any reference in Section 10 of the Act of 1944 to an assessor shall be construed as a reference to an assessor appointed or deemed to have been appointed under Section 43 of the Act of 1948. Section 49 of the 1948 Act provides that the Minister of Labour and National Service may pay: (a) allowances or expenses in respect of his time of his appointment.

for the purposes of the foregoing provisions of this Part of this Act, such remuneration and allowances as the Minister may, with the approval of the Treasury, determine.

On the 28th July, 1944, an arrangement under Section 63 of the Government of Ireland Act, 1920, was made between the Minister of Labour and National Service and the Ministry of Labour for Northern Ireland for the exercise and performance of powers and duties under the Reinstatement in Civil Employment Act, by officers of the Ministry on behalf of the Minister. It was agreed that in Northern Ireland the powers and duties of the Minister under the Act in so far as they relate to Northern Ireland—except the power to make Orders or Regulations—shall be exercised and performed by the Permanent Secretary or any Assistant Secretary to the Ministry, or by the Principal Officer in charge of reinstatement, or by any other person. A copy of the Memorandum of Arrangement under Section 63 of the Government of Ireland Act is attached.

Under this arrangement Sir William V. McCleery, D.L., J.P.—then Mr. W. V. McCleery—who had been nominated by the Association of Northern Ireland Chambers of Commerce, was appointed as an assessor for the purpose of Section 10 of the Reinstatement in Civil Employment Act, 1944, on the 14th November, 1944, but he never acted as an assessor for the purpose of that Act or of the National Service Act, 1948. Copies of the correspondence on the subject of his nomination which passed between the Ministry and the Association of Northern Ireland Chambers of Commerce are attached.

Sir William McCleery tendered his resignation of his appointment as an assessor in a letter dated the 7th December, 1955, and acceptance of it was notified to him by the Ministry on the 9th December, 1955. Copies of the minutes of appointment of Sir William McCleery and of his letter of resignation and the Ministry's reply to it are attached, together with a copy of a letter sent to him by the Ministry on the 14th November, 1944, which sets out the fees and expenses payable to assessors at the time of his appointment.

Sir William McCleery never claimed or was paid any remuneration, allowances or expenses in respect of his appointment as an assessor.

The Chairman: The appointment was actually made under the seal of the Ministry?

Mr. Anderson: No, it was not the Ministry. The position was that this was an Act passed by the Parliament of the United Kingdom—it is a Reserved Service and really—and the duty of administering it therefore rested on the Minister of Labour.
and National Service on the other side. He made the arrangement for the performance of duties here not by the Ministry in terms, but by officers of the Ministry. As I said, the Minister's powers and duties under the Act could be performed by the Permanent Secretary or any Assistant Secretary to the Ministry, or by the Principal Officer in charge of reinstatement in Northern Ireland. It was not the Ministry, really, that was acting in the appointment; as a matter of fact, it was I myself who signed the minute of appointment of Sir William McCleery, and I was acting as an agent under the arrangement for the Minister on the other side.

The Chairman: The actual appointment was not made merely by correspondence? There was a minute of appointment?

Mr. Anderson: Oh yes. I have put in a copy of both the arrangement empowering me to act for the Minister and of the actual minute by which I appointed Sir William McCleery.

Mr. Faulkner: Does it contain Sir William's name in that respect?

Mr. Anderson: Yes. There was not merely a letter of appointment; it was in the minute.

Mr. J. W. Morgan: I should just like to ask Mr. Anderson if the Government of Ireland Act, 1920, is the foundation of these cases. Is that their basis?

Mr. Anderson: No. The basis we are dealing with is the Reinstatement in Civil Employment Act, 1944. That, as I have explained, was an Imperial Act. It was not the responsibility of this Government to administer it; it was the responsibility of the Minister of Labour and National Service in Great Britain.


Mr. Anderson: The 1920 Act provided that agency arrangements could be made by the Department on the other side so that their duties and powers in Northern Ireland would be carried out and exercised by the officers of the Ministry here. The provisions of the Reinstatement in Civil Employment Act, 1944, were without prejudice to the right of the Minister over there to make an arrangement, under the Government of Ireland Act, with us to act as agents.

Mr. J. W. Morgan: It might confound the whole issue even more, because the Government of Ireland Act, 1920, was an arrangement between the Governments of Northern Ireland, the Irish Free State and Great Britain, and then the Irish Free State dropped out of it and formed another constitution.

The Chairman: I think the crucial matter is that this was an Imperial Statute and that the part of it which was applicable to Northern Ireland is still applicable and that we must regard it as an Imperial Statute applicable to Northern Ireland.

Mr. J. W. Morgan: Then the Ireland Act of 1950 does not alter that 1944 appointment of Sir William McCleery?

The Chairman: No, it does not affect the 1920 Act in any respect which makes any difference to what we are trying at the moment.

Mr. Anderson: Section 63 of the Government of Ireland Act, under which this arrangement was made that we should act as the agents, is fully operative still. There were certain amendments made to the 1920 Act as a result of the setting up of the Irish Free State which were not contemplated at the time the 1920 Act was passed. The 1920 Act was certainly amended but that did not affect Section 63, which continues in force.

Mr. Faulkner: This case seems to be so analogous to that of Sir Norman Stronge that I do not think there is any need to ask further questions.

Captain Henderson: I have a point to raise about the method of appointment of Sir William McCleery. It seems that he was nominated, or his name was suggested, by the Association of Chambers of Commerce. There is no copy of a letter from him accepting the appointment? He had no option but to accept it?

Mr. Anderson: The position there is that we had asked the Association of Chambers of Commerce to nominate somebody suitable for appointment and they had given us Sir William's name. I have their letter here.

Further to your letter of 8th September, I am instructed to inform you that Mr. W. V. McCleery, J.P., of Balmamore, Ballymoney, Co. Antrim, has been nominated as an assessor, and I have forwarded to him the leaflet R.E.L.I. which you sent with your letter.

Captain Henderson: There is nothing here to say that he had agreed to accept the appointment, except that the last letter from him in this batch of correspondence states that he begs to resign. If he was resigning, he had accepted the appointment in the first place.

Mr. Anderson: The Association of Chambers of Commerce had told us that they had nominated him and that they had sent him a copy of our leaflet. We assumed that they had done all this with the knowledge of Sir William, or Mr. McCleery as he was at that time.

The Chairman: That is as far as you can put it?

Mr. Anderson: Yes.

The Chairman: Only either Sir William or the Association of Chambers of Commerce could put the matter any further.

Mr. J. W. Morgan: Did Sir William receive a memorandum from the Ministry to say that his services were considered to be voluntary and unpaid?
Mr. Eagleson: Shall I read the memorandum?

The Chairman: If you would.

The following memorandum was read by Mr. Eagleson:

Section 30 of the Unemployment Act (Northern Ireland), 1934—Part II of which could be cited as the Unemployment Assistance Act (Northern Ireland), 1934—was repealed by Section 30 of and the Sixth Schedule to the National Assistance Act (Northern Ireland), 1948, on the 5th July, 1948. Section 3 of the National Assistance Act (Northern Ireland), 1948, provides that the National Assistance Board “may arrange for the establishment of advisory committees for such areas as the Board may think fit,” and, further, that the Board “shall pay to members of advisory committees appointed by the Board such travelling and other allowances (including compensation for loss of remunerative time) as the Board, after consultation with the Minister of Labour and with the consent of the Ministry of Finance, might determine.”

The Unemployment Act (Northern Ireland), 1934—Part II of which could be cited as the Unemployment Assistance Act (Northern Ireland), 1934—was repealed by Section 30 of and the Sixth Schedule to the National Assistance Act (Northern Ireland), 1948, on the 5th July, 1948. Section 3 of the National Assistance Act (Northern Ireland), 1948, provides that the National Assistance Board “may arrange for the establishment of advisory committees for such areas as the Board may think fit,” and, further, that the Board “shall pay to members of advisory committees appointed by the Board such travelling and other allowances (including compensation for loss of remunerative time) as the Board, after consultation with the Minister of Labour and with the consent of the Ministry of Finance, might determine.”

The Fifth Schedule to the National Assistance Act (Northern Ireland), 1948, also provides that advisory committees under Section 3 of the National Assistance Act (Northern Ireland), 1934, established immediately before the 5th July, 1948, shall, unless and until the Board otherwise determine, be deemed to be advisory committees established under Section 3 of the National Assistance Act (Northern Ireland), 1948.

Under Section 30 of the Unemployment Assistance Act (Northern Ireland), 1934, the Board set up an advisory committee for the Belfast Area, and by letter dated 5th September, 1945, invited Dr. Eileen M. Hickey to become a member of it. An invitation to attend an advisory committee meeting was accepted by Dr. Hickey in a letter dated the 10th September, 1945. On the 28th November, 1955, the chairman of the Board wrote
to her saying that the Board had been considering the reappointment of their advisory committees and inviting her to continue to serve as a member. Dr. Hickey replied on the 1st December, 1955, intimating her willingness to accept re-appointment, but on the 13th December, 1955, she again wrote to the Board resigning from the committee. Her letter was acknowledged by a letter from the chairman of the Board dated 15th December, 1955.

Copies of the correspondence between the Board and Dr. Hickey of a memorandum setting out the current rates of expenses and allowances payable by the Board to members of advisory committees and the conditions subject to which they are payable are attached.

Dr. Hickey has never claimed or been paid any expenses or allowances in respect of her membership of the committee.

Mr. Irwin: Dr. Hickey would have been entitled to compensation for loss of remunerative time?

Mr. Eagleson: She should be entitled to it.

Mr. Irwin: For a doctor or physician that might be a considerable amount?

Mr. Eagleson: As Mr. Anderson has said in the case of Sir Norman Stronge, I do not think it was ever contemplated that professional people would submit claims.

Mr. Irwin: No, but would she have been entitled to it?

Mr. Eagleson: Oh, yes. The Act clearly entitles her to it.

Mr. Anderson: Might I reply to Mr. Irwin, who said that there might be a considerable amount involved. There is a limit of 30s. a day put on. That is the most anybody could get in any circumstances?

Mr. Irwin: I see. Then there is a limit for a whole week?

Mr. Anderson: It is on a daily basis.

Mr. Irwin: For a whole week you could not get more than £21?

Major McConnell: That was in the case of Sir William McCleery.

Mr. Irwin: That does not apply similarly in this case?

Mr. Anderson: No. This is a different case altogether. That amount you mention was remuneration.

The Chairman: I take it that what is stated in the memorandum—which, of course, has only the force of a memorandum—is contained in a Statutory Rule and Order or some other Regulation?

Mr. Eagleson: It is contained in the Section of the Act.

The Chairman: But what about the actual details, such as the amount of payment?

Mr. Eagleson: The details are contained in the memorandum.

The Chairman: But there has been an S.R. & O., I take it, as well?

Mr. Eagleson: No, there was no S.R. & O.

The Chairman: It is done directly by the Ministry?

Mr. Eagleson: It is fixed by the Ministry of Finance departmentally.

Mr. Anderson: The Board have a general power in the Act to pay expenses and compensation for loss of remunerative time. What they pay in detail has been fixed up with the Ministry of Finance.

The Chairman: That is merely the Ministry of Finance saying, in exercise of their power, that they would limit it to 30s. a day, or whatever it is.

Mr. Anderson: There is statutory power in the Act to pay expenses, and before a Department can make any payment it has to go to the Ministry of Finance and get sanction for the actual detailed payment it is going to make. This is the arrangement made between the Board and the Ministry of Finance.

Major McConnell: The reply to Mr. Irwin ought to be that there is a limit in the memorandum, and that paragraph (5) should be looked at in considering whether this Member would have been entitled to remuneration in the broader sense of the term. In her case it might be that she would not be considered entitled to that. I suggest that is a point that should be looked at.

The Chairman: That was in my mind.

Major McConnell: That does not necessarily reflect the terms of the Statute.

The Chairman: What I am getting at is that the Ministry of Finance, under the Statute, and without making any Statutory Rule and Order, could alter or make a difference in the category of the person who was to receive remuneration?

Major McConnell: That is quite so.

Mr. Anderson: Put on new conditions or change the rates, or that kind of thing.

Mr. J. W. Morgan: I should like to ask Mr. Eagleson if Dr. Hickey received the memorandum from the Ministry to say that her services would be considered voluntarily and unpaid?

Mr. Eagleson: She received, or appears to have received, a copy of the memorandum, which is one of the attachments.

Mr. J. W. Morgan: She received that copy?

Mr. Eagleson: All I can say is that there was a copy sent to every person who was invited to serve on the committees, and it is a fair presumption that if the memorandum had not accompanied the letter Dr. Hickey would have said so in her reply. There is no absolute proof.
The Chairman: It is the ordinary practice of your Ministry to send one out with the letter of appointment?

Mr. Eagleson: Yes. When these persons were being invited to serve on the advisory committees for the Board each was sent a letter, and to that letter was attached a copy of the memorandum.

Mr. Faulkner: It is not stated in the letter.

Captain Henderson: Is that the memorandum W.S.18?

Mr. Faulkner: No; it is the memorandum referred to in the previous paragraph.

Mr. Eagleson: Yes. That memorandum stated quite clearly:

Members of Advisory Committees act in an honorary capacity, but travelling expenses where incurred, and compensation for loss of remunerative time, are payable.

The Chairman: In the letter of the 5th September, 1945, in the second paragraph, it says: "There is enclosed a leaflet W.S.18". Which leaflet is that?

Mr. Eagleson: It was a leaflet explanatory of the functions of the Board at that time. I have only been able to put my hand on one copy of it, but I should be glad to hand it in.

The Chairman: Perhaps if you would we would have everything before us. (Leaflet handed in.)

Mr. Eagleson: It was explanatory of the statutory functions of the Board.

Mr. Faulkner: But not of the appointment of the members of the advisory committees?

Mr. Eagleson: No.

Mr. Faulkner: I do not think it has much relevance to the point at issue.

The Chairman: I am just looking at it. From a quick glance it seems to deal with the work they do rather than the conditions under which they are appointed. Is there any other question about Dr. Hickey?

Apparently there is nothing else we require from these three gentlemen. Thank you, gentlemen, for your attendance and your assistance in this matter.

Major McConnell: Thank you very much.

Major McConnell, Mr. Anderson and Mr. Eagleson then withdrew.

The Committee adjourned until Thursday, 2nd February, 1956, at 11 a.m.
The Elections Select Committee met in Room 17, Parliament Buildings, Stormont, on Thursday, 2nd February, 1956.

There were present:—Mr. McConnell (in the Chair), Mr. Faulkner, Mr. Hawthorne, Captain Henderson, Mr. J. W. Morgan, and Mr. W. J. Morgan.

Dr. E. M. Hickey called.

The Chairman: We have Dr. Hickey with us this morning and I thank her for her attendance. Dr. Hickey, I am sure you have thought this matter over. Is there anything you would like to tell us about it? Is there anything you would like to tell us about it? is there anything me open to the accusation of having held an office of profit under the Crown.

Dr. Hickey: There is very little I can say about it. I have prepared a short statement which I think contains all the information the Committee would wish to hear, and I think it would satisfy you. After I have read the statement I shall leave it with the Chairman. I shall be prepared to answer any questions on it the Committee may wish to ask.

Following is the statement:

I was appointed a member of the Belfast Advisory Committee of the National Assistance Board in September, 1945. Service on these committees is regarded as voluntary and unpaid and any remuneration which might be paid if claimed—in respect of subsistence, loss of earnings, or travelling allowance, none of which I have ever claimed or received—is "in no sense a payment for services rendered," so that in no sense could my services on this committee under these terms ever be regarded as an office of profit.

Early in December last year my attention was drawn, as a result of newspaper reports of the case of Mr. Charles Beattie at Westminster, to consider my position here as a member of the Committee. Although at no time did I consider that I held an "office of profit under the Crown," it seemed to me that the Beattie case had made the position of a Member of Parliament one of some risk, and in order to remove any possible question of my holding an "office of profit" under the Crown I resigned from the Committee by letter dated 13th December, 1955. I believed by doing so I had placed myself beyond attack—although I would not like to suggest that this is an attack—and it did not occur to me to absent myself from the House of Commons. I subsequently attended the House on two occasions, but did not take part in any Division. The Prime Minister's letter to me, dated 13th January, 1956, was the first intimation that I had that I should not attend the House and since receiving it I have not attended.

I consider that my service as a member of this National Assistance Board Committee, for which I at no time claimed or received any money, should not render me open to the accusation of having held an office of profit under the Crown.

The Chairman: Does anyone wish to know anything further from Dr. Hickey?

Mr. Faulkner: Dr. Hickey's statement is completely in line with what the National Assistance Board representative, Mr. Eagleson, told us at our previous Sitting. It is also in line with the situation given to us by the Attorney-General. Quite clearly Dr. Hickey never received any payment or sought any payment, and I would not wish to ask her any questions. I would thank her for coming along.

Dr. Hickey: I am sorry you have had this trouble.

Dr. Hickey then withdrew.

Sir William McCleery called.

The Chairman: You have probably thought out what you would like to say to us, Sir William?

Sir William McCleery: Yes. I have a note here that I would just propose to read to the Committee. I think it is about all I can say in this matter. Shall I just go on?

The Chairman: If you would.

Sir W. McCleery: During the early part of the month of December last, my attention was directed, as a result of the case of Mr. Beattie at Westminster, to consider whether I was myself at all likely to be open to a similar charge. At that time I did not believe that I held any offices under the Crown at all, let alone offices of profit, but I was subsequently told that I had been appointed an assessor under the Restatement in Civil Employment Act, 1944. I was told that the date of my appointment to the committee was the 14th November, 1944, but I can assure the Committee I have no recollection whatever of this appointment and I have never at any time acted under it. I believe that the Ministry of Labour records will confirm this: they will cer-
tainingly confirm that I never claimed or received any remuneration, or allowances or any moneys of any kind whatever in respect of this appointment. I did not therefore consider that I was at any time the holder of an office of profit. The Press reports of Mr. Beattie's case, however, left me with the impression that the law was so technical that a Member held any office at his peril and for that reason and on account of what I had been told I resigned my office as assessor by letter dated 7th December, 1955. I believed that by so doing I had made myself absolutely clear from any charge of holding an office of profit. That is all that I can say.

The Chairman: Is there anything that any Member wishes to ask Sir William?

Captain Henderson: I have just one question. You do not have any recollection of being approached by the Chambers of Commerce and asked if you would accept their nomination of you?

Sir W. McCleery: No.

Mr. J. W. Morgan: Never at any time did you attend?

Sir W. McCleery: I never heard of the thing in my life, to the best of my recollection. I should be dumbfounded if I could see any document appointing me to any such office.

Mr. Faulkner: Certainly no evidence has been given to us of Sir William having accepted the office of assessor; but we have seen a letter which was sent from the Ministry of Labour to Sir William inviting him to accept the office.

The Chairman: Have you any recollection of having received that letter?

Sir W. McCleery: I have searched all my files, and so has my private secretary who was in my employment at that time and she never heard of such a letter.

Mr. Faulkner: In any event the important thing is that Sir William never sat as an assessor and never claimed any expenses or moneys.

Sir W. McCleery: I never heard of such a thing.

The Chairman: The letter we saw is dated the 14th November, 1944. You have probably seen a copy of it?

Sir W. McCleery: Yes, I have seen a copy of it.

Mr. J. W. Morgan: It was quite a surprise to me that you were even a member?

Sir W. McCleery: I never heard of it. I never knew that such a committee existed.

The Chairman: Is that everything any Member wishes to ask Sir William? Thank you very much for your attendance, Sir William.

Sir William McCleery then withdrew.

The Committee deliberated and decided to recall the Attorney-General.
The Chairman: I think that covers the ground. Thank you very much for your attendance, Sir Norman.

Sir N. Stronge: Thank you very much.

Sir Norman Stronge then withdrew.

When the Attorney-General (Mr. Edmond Warnock) arrived, he was invited by the Chairman to remain and hear the evidence of the next witness.

Mr. T. Stanley Lyle called.

The Chairman: First of all, Mr. Lyle, would you give the Committee your official designation. Is it secretary?

Mr. Lyle: Yes, Mr. Coop is the honorary secretary of the Association of Chambers of Commerce Northern Ireland. I am Mr. Coop's assistant. He would have been here but, unfortunately, he is ill at the moment.

Is it the Association of Chambers of Commerce?—Northern Ireland Chambers of Commerce.

Do you know that we are inquiring into the case of Sir William McCleery?—I do.

First of all, there was a letter dated 8th September, 1944, sent to Mr. T. R. Whitham at 7 Donegall Square West, Belfast. That letter was sent on behalf of the Ministry of Labour and National Insurance and it invited your Association to nominate one assessor for the purposes of the Reinstatement in Civil Employment Act, 1944. That letter probably appears on your files?—Yes.

I have not got that correspondence of 1944.

What the Committee want to know is after preliminary acknowledgment of that letter on the 11th October, 1944; by your Association there was a second letter from your Association dated 4th November, 1944, in which it is stated:

Dear Sir,

Further to your letter of the 8th September, I am instructed to inform you that Mr. W. V. McCleery, J.P., of Balnamore, Ballymoney, Co. Antrim, has been nominated as assessor for the purposes of the Reinstatement in Civil Employment Act, 1944. That letter probably appears on your files?—Yes. I have not got that correspondence of 1944.

What the Committee want to know is after preliminary acknowledgment of that letter on the 11th October, 1944; by your Association there was a second letter from your Association of Northern Ireland Chambers of Commerce which took place on the 3rd November, 1944. The minute reads:

Reinstatement in Civil Employment Act, 1944. On the proposal of Mr. Leyburn, seconded by Mr. Herbert Quin, it was unanimously agreed that Mr. W. V. McCleery be appointed to act as Assessor under the Act.

That is all there is in the minute.

Have you in that minute a list of the members present?—Yes.

Was Sir William McCleery amongst them?—Yes.

He was present at the meeting?—Yes.

In the letter which your Secretary wrote on the 4th November he says "I forwarded to him" meaning Sir William McCleery a leaflet . . . Have you any record of a letter sent to Sir William?—None.

Have you looked?—Yes.

Mr. Faulkner: Was there ever any acknowledgment by Sir William to the Association?

Mr. Lyle: I do not know. I think the files have been destroyed.

The Chairman: It is not that they are missing from the files; it is that you have not got the files?

Mr. Lyle: That is so. I would have a copy of the letter. We have a copy of all the letters sent out. There is no copy of a letter to Sir William McCleery.

The Attorney-General: Is there not a copy which says: "I have forwarded to Mr. McCleery . . . ."?

Mr. Lyle: Yes, there is a copy of that letter.

The Chairman: The Ministry have the original of that letter.

Mr. J. W. Morgan: At that meeting on 3rd November when his name was put up, did Sir William McCleery agree or disagree?

Mr. Lyle: There is no note about that.

Mr. Faulkner: Just to be absolutely clear on this matter, Mr. Lyle has told us that Sir William McCleery was present at that meeting. Could he have been present at the beginning of the meeting and not present when this nomination took place?

Mr. Lyle: It is possible; sometimes members do leave early.

The Chairman: How do you get the list of members present? Do they sign as they come in or is the list made during the meeting?

Mr. Lyle: At the moment the practice is for one of the staff to take the names of all members as they are going into the meeting.

So that the record of attendance is really a record of those entering the meeting?—That is correct.

Mr. Hawthorne: Are copies of the minutes circulated to members following the meetings?

Mr. Lyle: No, they are not circulated.

The Chairman: Were the minutes of that particular meeting read at the next meeting of the Association?

Mr. Lyle: They do not appear to have been.
The Attorney-General: It usually starts—
The minutes of the previous meeting were
read and approved.

Mr. Lyle: There is no record of that hav­
ing been done at the following meeting.

Mr. J. W. Morgan: Have you the
minute for 3rd December, the meeting after
the 3rd November?

Mr. Lyle: The following meeting was a
special meeting. Other than a special meet­ing
the next meeting was 1st February,
1946.

The Chairman: Neither at the special
meeting nor at the subsequent meeting were
the minutes of 3rd November read?

Mr. Lyle: No.

The Attorney-General: Were you in office
at that time?

Mr. Lyle: No. The present secretary was
not in office at that time either.

The Chairman: Is there anything further
we wish from Mr. Lyle? Thank you very
much, Mr. Lyle, for your attendance.

Mr. Lyle then withdrew.

The Attorney-General recalled.

The Chairman: We should like to thank
you very much, Mr. Attorney-General, for
coming back to the Committee at such short
notice.

The Attorney-General: I am sorry I have
not my papers with me, but I came straight
away when summoned by the Committee.

The Chairman: There is a point on which
we would like your guidance. You probably
have had an opportunity of reading what
Sir William McCleery has said in evidence.
We should like your opinion whether on
the facts on which he has given evidence,
and particularly when he says that he has
no recollection of appointment, it is neces­sary that there should be acceptance to
constitute appointment to an office of this
kind so as to disqualify a Member, and, secondly, whether there seems to be
sufficient evidence that he did.

The Attorney-General: This point is not
new to me, as I have it in greater detail
than I had before. Might I just summarise
the view that I would present to the Com­mittee? You now have evidence that Sir
William McCleery was present at the meet­ing
on 3rd November, 1944, when he was
nominated by the Association of Chambers
of Commerce, and there is no evidence that
he protested or was unwilling to accept the
appointment. There is the letter of 4th
November, 1944, to the Secretary of the
Ministry stating that a document was being
forwarded to Sir William McCleery which indicated that he had been
nominated for this position. We have some­where on the file a minute of appointment.
I have not my papers with me, but I think I
am right in saying that there is a minute of
appointment which purports to have been
sent to Sir William McCleery. As against
those three positive facts you have to balance Sir William McCleery's recollec­tions. My advice to the Committee would
be that they would be entitled upon that
evidence to find that Sir William McCleery
had been appointed. I cannot go further
than that. I think you are entitled to
balance the three known facts as against
recolletion. The three known facts all in­
dicate fairly strongly that Sir William
McCleery knew he was going to be
appointed; that he was, in fact, appointed,
and the minute of appointment was sent
to him. We all accept immediately Sir
William's statement that he has no recol­
lection of it, but I think the Committee
would be entitled to find on the evidence
that he had been appointed, and there is
the fact of his acquiescence at the meeting
on 3rd November, 1944, which I feel would
indicate acceptance. Beyond that I doubt
whether I could go any farther.

The Chairman: There is also the letter of
the 14th November, 1944, sent by the
Ministry and addressed to "W. V.
McCleery, Esq."

The Attorney-General: There is always
the strong presumption that a letter which is
put in the post reaches its destination
and any Committee such as this would be
entitled, in the absence of evidence to the
contrary, to say that he got that letter. If
Sir William McCleery said he never
received such a letter then you could query
whether the letter, duly posted, arrived, but
in the absence of any positive statement by
Sir William McCleery that he never
received the letter, the Committee would be
perfectly justified in concluding, if you are
satisfied that the letter of 14th November
was sent, that it reached its destination. Sir
William is dealing with a matter of re­
collection of 11 years ago and as he is a
man of very many interests and responsi­bilities I am not surprised that he has no
recollection of it and that the matter has
escaped his memory, but there is a great
deal of evidence before the Committee to
show that he was appointed, if the Com­mittee feel disposed to act upon that
evidence.

The Chairman: Is there anything else
which the Committee would like to ask
the Attorney-General? Thank you, Mr.
Attorney-General.

The Attorney-General: I will not say it
is a pleasure, but I am very willing to be
here.

The Attorney-General then withdrew.

The Committee proceeded to consider
the Draft Report, and considered their
deliberations.
APPENDIX I

Memorandum by the National Assistance Board for Northern Ireland

Section 30 of the Unemployment Act (Northern Ireland), 1934, made it the duty of the Unemployment Assistance Board for Northern Ireland (re-named the Assistance Board for Northern Ireland by the Old Age and Widows’ Pensions Act (Northern Ireland), 1940, and later the National Assistance Board for Northern Ireland by the National Assistance Act (Northern Ireland), 1948) to arrange for the establishment of advisory committees for such areas as the Board thought fit. The purpose of the committees as laid down in the Act was to secure the advice and assistance of persons having local knowledge and experience in matters affecting the functions of the Board under the Act. Section 30 also provided that the Board might pay to members of advisory committees “such travelling and other allowances (including compensation for loss of remunerative time)” as the Board, after consultation with the the Minister of Labour and with the consent of the Ministry of Finance, might determine.

The Unemployment Act (Northern Ireland), 1934, (Part II of which could be cited as the Unemployment Assistance Act (Northern Ireland), 1934) was repealed by Section 30, and the Sixth Schedule to the National Assistance Act (Northern Ireland), 1948, on the 5th July, 1948. Section 3 of the National Assistance Act (Northern Ireland), 1948, provides that the National Assistance Board “may arrange for the establishment of advisory committees for such areas as the Board may think fit,” and further that the Board “shall pay to members of advisory committees appointed by the Board such travelling and other allowances (including compensation for loss of remunerative time) as the Board, after consultation with the Ministry and with the consent of the Ministry of Finance, may determine.” The Fifth Schedule to the National Assistance Act (Northern Ireland), 1948, also provides that advisory committees under Section 30 of the Unemployment Assistance Act (Northern Ireland), 1934, established immediately before the 5th July, 1948, shall, unless and until the Board otherwise determine, be deemed to be advisory committees established under Section 3 of the National Assistance Act (Northern Ireland), 1948.

Under Section 30 of the Unemployment Assistance Act (Northern Ireland), 1934, the Board set up an advisory committee for the Belfast Area, and by letter dated 5th September, 1945, invited Dr. Eileen M. Hickey to become a member of it. This invitation was accepted by Dr. Hickey in a letter dated the 10th September, 1945. On the 28th November, 1955, the Chairman of the Board wrote to her saying that the Board had been considering the reappointment of their advisory committees and inviting her to continue to serve as a member. Dr. Hickey replied on the 1st December, 1955, intimating her willingness to accept reappointment, but on the 13th December, 1955, she again wrote to the Board resigning from the committee. Her letter was acknowledged by a letter from the chairman of the Board dated 15th December, 1955. Copies of the correspondence between the Board and Dr. Hickey and of a memorandum setting out the current rates of expenses and allowances payable by the Board to members of advisory committees and the conditions subject to which they are payable are attached.

Dr. Hickey has never claimed or been paid any expenses or allowances in respect of her membership of the committee.

NATIONAL ASSISTANCE BOARD
FOR NORTHERN IRELAND,
ORMEAU AVENUE,
BELFAST.
ASSISTANCE BOARD,
FERMANAGH HOUSE,
ORNEAU AVENUE,
BELFAST.
5th September, 1945.

Madam,

I am directed by the Assistance Board to inform you that it is proposed to set up an Advisory Committee for the Belfast area, the constitution and functions of which are set out in the enclosed memorandum.

There is also a leaflet (W.S.18) explanatory of the functions of the Assistance Board. The termination of the war will bring to an end a number of these schemes, but the two permanent statutory schemes of Unemployment Assistance and Supplementary Pensions will continue and will provide the material for Advisory Committees.

The Committee will meet at the Board's Headquarters in Fermanagh House, but, for the present, it is not expected that meetings will be frequent.

The Board is anxious to secure the service of representative persons whose sympathies and experience qualify them for acting on a body of this nature and I have been asked to invite you to join the Committee. The Board hopes that you will be prepared to assist in the important public duties which the Committee will undertake.

I am, Madam,
Your obedient Servant,
(Signed) THOMAS ELWOOD.

ASSISTANCE BOARD FOR NORTHERN IRELAND

Memorandum on Advisory Committees

The statutory basis for Advisory Committees is found in Section 30(3) of The Unemployment Assistance Act (Northern Ireland), 1934, which provides:

“For the purpose of securing the advice and assistance of persons having local knowledge and experience in matters affecting the functions of the Board . . . . the Board shall arrange for the establishment of Advisory Committees for such areas as the Board thinks fit.”

A number of Committees were set up prior to the war but, because of war-time exigencies, were allowed to lapse at the end of their three years' period of office.

The Board has now decided to re-constitute these Committees, beginning with Belfast and Londonderry. The Committees will be appointed for a period of three years and their functions will be of an advisory nature in connection with (a) Unemployment Assistance and (b) Supplementary Pensions. Whilst matters of general interest in the administration of these schemes will come before the Advisory Committees, it is expected also that other questions (which may be referred to sub-Committees) relating to the welfare or position of individual cases will be dealt with where a matter of exceptional interest or of special difficulty arises.

Members of Advisory Committees act in an honorary capacity, but travelling expenses where incurred and compensation for loss of remunerative time are payable.

The Board will provide for the secretarial duties of each Committee.

September, 1945.
NATIONAL ASSISTANCE BOARD

Memorandum for Information of Members of Advisory Committees

Service on the bodies referred to above is regarded as voluntary and unpaid, and any allowances that may be payable in respect of attendances at meetings, whether on account of travelling, subsistence or compensation for loss of earnings, are intended only to reimburse to members amounts actually and necessarily expended or lost, and are in no sense a payment for services rendered. The Board relies at all times upon members to make such arrangements as they can to avoid unnecessary expense in attending meetings.

The rules regarding the allowances payable are set out in the Appendix; extracts from these are printed on the form of claim. The certificate on the form of claim contains a declaration to the effect that:

1. All expenses charged have been actually and necessarily disbursed by the claimant solely on the Public Service;
2. Any allowances claimed are in accordance with the rules in the Appendix; and
3. No other claim in respect of the same period or items has been or will be made on the Board or on any Government Department.

APPENDIX

Allowances for Travelling, Subsistence and Loss of Earnings, and Conditions of Payment

Travelling Allowances

1. The actual amount spent on fares will be reimbursed, and return ticket or other cheap bookings should always be taken when expense is thereby saved.

Subsistence Allowances

2. Subsistence allowances are based upon the time necessarily required to attend official meetings recognised as such by the Department. Time occupied upon non-official meetings or private business must not be included.

3. If the member is required either:
   (i) To travel 5 miles or more each way to and from the place of meeting; or
   (ii) To be necessarily absent from home or work on the business of the committee or other body concerned for a continuous period of 5 hours or more;

   subsistence allowances may be paid on the following scales:

   (a) For meetings not involving a night’s absence from home:
      (i) For absence from home or work not exceeding 8 hours, not more than 4/-.
      (ii) For absence from home or work of over 8 hours not exceeding 9/-.

   (b) For meetings involving one or more night’s absence from home:
      (i) In respect of each night, covering a period up to 24 hours, not exceeding 31/-.
      (ii) For further absence from home or work of less than one night (24 hours) allowance as for (a) (i) or (ii) above.

A/cs.150 (revised).

NOTE: No payment may be made in respect of subsistence for absences of less than 5 hours unless the member has travelled 5 miles or more each way to and from the place of meeting. This rule relates to subsistence only and not to allowances for loss of earnings.

Allowances for Loss of Earnings

4. Compensation for actual loss of earnings up to a maximum of 30/- a day (in addition to subsistence when due) is payable to workmen representatives who are working men following their trades and who have unavoidably suffered measurable pecuniary loss as a result of their attendance at a meeting.
(5) Employer or workmen representatives who, although in business on their own account, actually work at their trade in the same or similar way as though they were journeymen working for wages for at least three-quarters of the recognised number of normal working hours a week in that occupation, may, if their attendance at a meeting has involved them in loss of remunerative time, receive an allowance at a rate not exceeding the rate of wages payable in the district to workmen of the same trade up to a maximum of 30/- a day (in addition to subsistence when due). Where the performance of remunerative work is merely advanced or deferred, no compensation is payable.

(6) The Board may verify any claim.

(7) No compensation for loss of earnings is payable in respect of the attendance of the following classes of members:

(a) Full-time Trade Union Officials.

(b) Employer representatives, other than as stated in (5) above.

(c) Persons whose employment is remunerated on a “Commission” basis.

(8) No compensation is payable to any member in respect of loss of overtime earnings.

Correspondence

31 COLLEGE GARDENS,  
BELFAST.  
10th September, 1945.

Dear Sir,

I will be pleased to join the Advisory Committee that you intend setting up—always presuming that the meetings are not held on such days or at such hours that my other engagements would preclude my attending.

Sincerely yours,

(Signed) EILEEN M. HICKEY.

T. ELWOOD, ESQ.

NATIONAL ASSISTANCE BOARD,  
FERMANAGH HOUSE,  
ORMEAU AVENUE,  
BELFAST.  
28th November, 1955.

Dear Dr. Hickey,

The National Assistance Board for Northern Ireland have recently been considering the question of reappointing their four Advisory Committees. As Chairman of the Board, I wish to take this opportunity of assuring you of my appreciation of the invaluable services you have rendered in the past as a member of the Belfast Committee and to say that I should be deeply grateful if the Board could continue to count on these services in the future.

Your sincerely,

(Signed) JOHN F. GORDON.

DR. EILEEN M. HICKEY, B.SC, M.D., D.P.H.,  
F.R.C.P.I., M.P.,  
30 DONEGALL PARK AVENUE,  
BELFAST.
30 DONEGALL PARK AVENUE,
BELFAST.
1st December, 1955.

Dear Sir,

Alas! I do not feel that I have rendered any invaluable service to the N.A.B. I have been rather unfortunate from the health point of view for several years past, but if the Board wishes to reappoint me I shall of course be prepared to attend meetings unless prevented by attendance at Stormont or for health reasons. My deafness makes me a poor member of Committee also.

Sincerely yours,
(Signed) E. M. Hickey.

30 DONEGALL PARK AVENUE,
BELFAST.
13th December, 1955.

Dear Sir,

I beg to resign from the Assistance Board Advisory Committee of which I have been a member for some time past, this also includes removing my name from your small panel instituted for reviewing specially difficult cases.

I much regret having to take this step especially as I had indicated only a week or two ago that I was prepared to serve on the new committee and I shall miss many familiar kind faces. With regret.

Very sincerely,
(Signed) Eileen M. Hickey.

NATIONAL ASSISTANCE BOARD,
FERMANAGH HOUSE,
ORMEAU AVENUE,
BELFAST.
15th December, 1955.

Dear Dr. Hickey,

I regret very much to note from your letter of 13th December, that you are resigning from the Belfast Advisory Committee. In view of your recent acceptance of my invitation to serve as a member of the Committee for a further period, I had been looking forward to your continued co-operation. I sincerely hope that your decision has not been taken for reasons of health, and I should like to take the opportunity of again thanking you for the valued service you have given to the Board in past years.

Yours sincerely,
(Signed) John F. Gordon.

MISS E. M. HICKEY, B.SC., M.D.,
D.P.H., F.R.C.P.I., M.P.
30 DONEGALL PARK AVENUE,
BELFAST.
APPENDIX II

Memorandum by the Ministry of Labour and National Insurance

The Reinstatement in Civil Employment Act, 1944, passed by the Parliament of the United Kingdom, gives certain rights of reinstatement in their former employment to persons released from war service. The Act provides that a person who claims to have rights under it which are being or have been denied to him may apply to a Reinstatement Committee for the determination of any question relating to his rights, and makes further provision for an appeal to an umpire or deputy umpire from any determination or order of a Reinstatement Committee or from the refusal of a Committee to make an order. When considering such an appeal Section 10 of the Act requires the umpire or deputy umpire to sit with two assessors appointed by the Minister of Labour and National Service, and Section 19 provides for the payment out of moneys provided by Parliament to assessors so appointed of such remuneration and allowances as the Minister may, with the approval of the Treasury, determine.

The National Service Act, 1948, which came into operation on the 1st January, 1949, consolidated the National Service Acts, 1939 to 1947, and the Reinstatement in Civil Employment Act, 1944, so far as the latter Act applies to persons called up for national service after the 31st December, 1948. The continuing application of the Reinstatement in Civil Employment Act, 1944, is limited by Section 59 of the National Service Act, 1948, and provision with regard to assessors is made in Sections 43, 49 and 59 of the latter Act. Sections 43 and 59 provide that after the passing of the Act of 1948 any assessor appointed under Section 10 of the Act of 1944 shall be deemed to have been appointed under Section 43 of the Act of 1948; no assessor shall be appointed under Section 10 of the Act of 1944; and any reference in Section 10 of the Act of 1944 to an assessor shall be construed as a reference to an assessor appointed or deemed to have been appointed under Section 43 of the Act of 1948. Section 49 of the 1948 Act provides that the Minister of Labour and National Service “may pay—

(a) . . . . to persons appointed to sit as assessors and to any officers and servants of the Minister employed for the purposes of the foregoing provisions of this Part of this Act, such remuneration and allowances as the Minister may, with the approval of the Treasury, determine.”

On the 28th July, 1944, an arrangement under Section 63 of the Government of Ireland Act, 1920, was made between the Minister of Labour and National Service and the Ministry of Labour for Northern Ireland for the exercise and performance of powers and duties under the Reinstatement in Civil Employment Act, 1944, by officers of the Ministry on behalf of the Minister. It was agreed that in Northern Ireland the powers and duties of the Minister under the Act in so far as they relate to Northern Ireland (except the power to make Orders or Regulations) shall be exercised and performed by the Permanent Secretary or any Assistant Secretary to the Ministry, or by the Principal Officer in charge of reinstatement in Northern Ireland. A copy of the Memorandum of Arrangement under Section 63 of the Government of Ireland Act is attached.

Under this arrangement Sir William V. McCleery, D.L., J.P. (then Mr. W. V. McCleery), who had been nominated by The Association of Northern Ireland Chambers of Commerce, was appointed as an assessor for the purpose of Section 10 of the Reinstatement in Civil Employment Act, 1944, on the 14th November, 1944, but he never acted as an assessor for the purpose of that Act or of the National Service Act, 1948. Copies of the correspondence on the subject of his nomination which passed between the Ministry and The Association of Northern Ireland Chambers of Commerce are attached.
Sir William McCleery tendered his resignation of his appointment as an assessor in a letter dated the 7th December, 1955, and acceptance of it was notified to him by the Ministry on the 9th December, 1955. Copies of the Minute of Appointment of Sir William McCleery and of his letter of resignation and the Ministry’s reply to it are attached, together with a copy of a letter sent to him by the Ministry on the 14th November, 1944, which sets out the fees and expenses payable to assessors at the time of his appointment.

Sir William McCleery never claimed or was paid any remuneration, allowances or expenses in respect of his appointment as an assessor.

MINISTRY OF LABOUR AND NATIONAL INSURANCE,
STORMONT.

Memorandum

MEMORANDUM OF ARRANGEMENT made this 28th day of July, 1944, under Section 63 of the Government of Ireland Act, 1920, between the Minister of Labour and National Service (hereinafter called “the Minister”) of the one part and the Ministry of Labour for Northern Ireland (hereinafter called “the Ministry”) of the other part, being an arrangement for the exercise and performance of powers and duties under the Reinstatement in Civil Employment Act, 1944, by officers of the Ministry on behalf of the Minister WHEREBY it is agreed as follows:—

(1) The following officers of the Ministry shall exercise and perform in Northern Ireland on behalf of the Minister the powers and duties of the Minister under the Reinstatement in Civil Employment Act, 1944, in so far as they relate to Northern Ireland (except the power to make Orders or Regulations):—

The Permanent Secretary
Any Assistant Secretary
The principal officer in charge of reinstatement in Northern Ireland.

(2) The Minister shall cause to be paid to the Ministry in respect of the exercise and performance of the duties aforesaid such sums as may from time to time be agreed upon.

(3) This arrangement shall have effect as from the first day of August, 1944, and may be terminated by either party giving to the other one month’s notice in writing.

AS WITNESS the Official Seals of the parties hereto have been hereunto affixed the day and year first above written.

The Official Seal of the Minister of Labour and National Service was hereunto affixed in the presence of:—

(Signed) T. W. PHILLIPS.
Secretary of the Ministry of Labour and National Service.

The Official Seal of the Ministry of Labour for Northern Ireland was hereunto affixed in the presence of:—

(Signed) R. R. BOWMAN.
Secretary of the Ministry of Labour for Northern Ireland.

33
Correspondence

STORMONT CASTLE,
BELFAST.

8th September, 1944.

Dear Sir,

Reinstatement in Civil Employment Act, 1944

The above Act, which came into force on the 1st August, 1944, applies to the United Kingdom of Great Britain and Northern Ireland and is being administered in this area by the Ministry of Labour as agents for the Ministry of Labour and National Service.

It is now necessary to appoint a number of persons as assessors to sit with the Deputy Umpire when hearing appeals under the Act. Assessors, who will act in an advisory capacity, should be persons who are regarded as having expert knowledge of any of the matters which are likely to fall to be considered by the Deputy Umpire in the exercise of his duties under the Act.

It is proposed to appoint as assessors representatives of both employers and employees, and I have therefore to request that the Association of Northern Ireland Chambers of Commerce will be so good as to forward the name of one of their members whom they are prepared to nominate for appointment. The fees payable to assessors are two guineas a sitting with travelling and subsistence allowances where necessary.

I enclose for your information a copy of a leaflet R.E.L.1 explaining the main provisions of the Act.

Yours faithfully,

J. I. HAMILTON.

M. R. WHITHAM, ESQ., F.C.I.S.,
BELFAST CHAMBER OF COMMERCE,
7 DONEGALL SQUARE WEST,
BELFAST.

THE ASSOCIATION OF NORTHERN IRELAND CHAMBERS OF COMMERCE

7 DONEGALL SQUARE WEST,
BELFAST.

11th October, 1944.

Dear Sir,

Reinstatement in Civil Employment Act, 1944

I beg to acknowledge receipt of yours of 8th September, which has not received attention owing to my absence on holiday.

I will bring your letter before the Executive Council of the Association in due course.

Yours faithfully,

(Signed) M. R. WHITHAM,
Hon. Secretary.

THE SECRETARY,
MINISTRY OF LABOUR,
STORMONT CASTLE,
BELFAST.
Reinstatement in Civil Employment Act, 1944

Dear Sir,

Further to your letter of 8th September, I am instructed to inform you that Mr. W. V. McCleery, J.P., of Balnamore, Ballymoney, Co. Antrim, has been nominated as an assessor, and I have forwarded to him the leaflet, R.E.L.1, which you sent with your letter.

Yours faithfully,

(Signed) M. R. WHITHAM.
 Secretary.

THE SECRETARY,
MINISTRY OF LABOUR,
STORMONT CASTLE,
BELFAST.

REINSTATEMENT IN CIVIL EMPLOYMENT ACT. 1944

Appointment of Assessors

In pursuance of the arrangement under Section 63 of the Government of Ireland Act, 1920, made between the Minister of Labour and National Service and the Ministry of Labour for Northern Ireland on the 28th July, 1944, for the exercise and performance of the powers and duties of the said Minister under the Reinstatement in Civil Employment Act, 1944, in so far as they relate to Northern Ireland by officers of the said Ministry. I hereby appoint the following persons to act as Assessors for the purposes of subsection (3) of Section 10 of that Act:

G. H. McAllister, Messrs. John Arnett & Co., Ltd., North Street, Belfast.
J. A. Kirk, National Union of Distributive and Allied Workers, Garfield Chambers, Belfast.
C. McMullan, Plumbers', Glaziers' and Domestic Engineers' Union, 134 Donegall Avenue, Belfast.
A. E. Lloyd, Typographical Association, Lower Garfield Street, Belfast.

(Signed) H. ANDERSON,
Assistant Secretary,
Ministry of Labour for Northern Ireland.
14th November, 1944.
STORMONT CASTLE,
BELFAST.
2984/44.
14th November, 1944.

Sir,

I am directed by the Minister of Labour to say that the Reinstatement in Civil Employment Act, 1944, which applies to the whole of the United Kingdom, is being administered in Northern Ireland by this Ministry on an agency basis on behalf of the Ministry of Labour and National Service. The enclosed leaflet describes the provisions of the Act. Briefly, it gives certain rights of reinstatement in their former employment to men and women discharged from His Majesty's Forces, and persons who claim that they have rights under it which are being denied to them may apply to have the matters in dispute determined by a Reinstatement Committee consisting of a Chairman, an employers' representative, and a representative of employed persons. From this decision there is in certain circumstances a right of appeal to the Umpire, or, in Northern Ireland, the Deputy Umpire, appointed under the Act. The Act provides that when considering an appeal the Umpire or Deputy Umpire shall sit with two Assessors. As you are probably aware, you have been nominated by the Association of Northern Ireland Chambers of Commerce as being suitable to sit with the Deputy Umpire in this capacity, and I have to inform you that you have been appointed to act as an Assessor for the purposes of the Act.

Fees and expenses will be payable to you as follows on any occasion on which you are called on to act as an Assessor:

FEES: Two guineas per sitting (half-day) with a maximum of four guineas per day, subject to a limit of £21 a week.

EXPENSES: Travelling expenses actually and necessarily incurred, and subsistence allowances on the following scale:—

For each night (to cover a period of 24 hours) necessarily spent away from home ... ... ... ... 21 0

For each day of necessary absence from home of not less than 8 hours 7 0

I am, Sir,

Your obedient Servant,

(Signed) H. ANDERSON.

W. V. McCLEERY, ESQ., J.P.,
BANAMORE,
BALLYMONEY.
Dear Sir,

I beg to resign my position as Assessor under Section 10(3) of the Reinstatement in Civil Employment Act, 1944.

Yours faithfully,

(Signed) W. V. McCleery.

THE SECRETARY,
MINISTRY OF LABOUR AND NATIONAL INSURANCE,
STORMONT.

STORMONT,
BELFAST.
2984/1944
9th December, 1955.

Sir,

I am directed by the Minister of Labour and National Insurance to acknowledge the receipt of your letter of 7th December, 1955, and to say that your resignation of your appointment as Assessor for the purposes of sub-section (3) of Section 10 of the Reinstatement in Civil Employment Act, 1944, as continued by sub-section (4) of Section 43 of the National Service Act, 1948, has been accepted.

I am, Sir,
Your obedient Servant,

(Signed) H. Anderson.

BALNAMORE HOUSE,
BALLYMONEY,
Co. ANTRIM.
APPENDIX III

Memorandum by the Ministry of Labour and National Insurance

Under Section 17 of the Disabled Persons (Employment) Act (Northern Ireland), 1945, it is the duty of the Ministry to establish a central advisory council to advise and assist it in matters relating to the employment, undertaking of work on their own account or training, of disabled persons generally. The Second Schedule to the Act authorises the payment by the Ministry out of moneys provided by Parliament to the members of the council of “such travelling and other allowances, including compensation for loss of remunerative time,” as the Ministry, with the approval of the Ministry of Finance, may determine. Particulars of the current rates of expenses and allowances so approved and determined, and the conditions subject to which they are payable, are attached.

The first Chairman (Lord MacDermott) of the Central Advisory Council for the Employment of the Disabled, set up under the Act, resigned in 1947, and the Minister of Labour, by letter dated 12th June, 1947, invited Sir Norman Stronge, Bart., M.C., H.M.L., to succeed him. Sir Norman Stronge accepted the appointment in a letter dated 14th June, 1947. The Minister received a letter of resignation from membership of the Council from Sir Norman Stronge on 16th January, 1956. This was accepted by the Minister in a letter dated 17th January, 1956. Copies of the letters relating to Sir Norman Stronge’s appointment and resignation are attached.

Sir Norman Stronge never claimed or was paid any remuneration, allowances or expenses in respect of his appointment as Chairman of the Council.

MINISTRY OF LABOUR AND NATIONAL INSURANCE, STORMONT.

MINISTRY OF LABOUR AND NATIONAL INSURANCE

Memorandum for Information of Members of Local Tribunals, Local Appeal Tribunals, Appeal Tribunals under the National Assistance Act (N.I.), 1948, Wages Councils, Committees under the Disabled Persons (Employment) Act and other Committees

Service on the bodies referred to above is regarded as voluntary and unpaid, and any allowances that may be payable in respect of attendances at meetings, whether on account of travelling, subsistence or compensation for loss of earnings, are intended only to reimburse to members amounts actually and necessarily expended or lost, and are in no sense a payment for services rendered. The Ministry relies at all times upon members to make such arrangements as they can to avoid unnecessary expense in attending meetings.

The rules regarding the allowances payable are set out in the Appendix; extracts from these are printed on the form of claim. The certificate on the form of claim contains a declaration to the effect that:

(1) all expenses charged have been actually and necessarily disbursed by the claimant solely on the Public Service;
(2) any allowances claimed are in accordance with the rules in the Appendix; and
(3) no other claim in respect of the same period or items has been or will be made on the Ministry of Labour and National Insurance or on any other Government Department.

APPENDIX

Allowances for Travelling, Subsistence and Loss of Earnings, and Conditions of Payment

Travelling Allowances

(1) The actual amount spent on fares will be reimbursed, and return ticket or other cheap bookings should always be taken when expense is thereby saved. The hire of cabs or other private conveyances should be charged against the Ministry only when heavy luggage has to be transported or when there is extreme urgency. A voucher is required when the cost of a private conveyance exceeds 5/-.

Subsistence Allowances

(2) Subsistence allowances are based upon the time necessarily required to attend official meetings recognised as such by the Department. Time occupied upon non-official meetings or private business must not be included.

(3) If the member is required either:
   (i) To travel 5 miles or more each way to and from the place of meeting; or
   (ii) To be necessarily absent from home or work on the business of the committee or other body concerned for a continuous period of 5 hours or more;

   subsistence allowances may be paid on the following scales:
   (a) For meetings not involving a night’s absence from home:
      (i) For absence from home or work of 8 hours or less, not exceeding 4/-.  
      (ii) For absence from home or work of more than 8 hours, not exceeding 9/-.
   (b) For meetings involving one or more night’s absence from home:
      (i) In respect of each night (to cover a period of 24 hours) not exceeding 31/-.  
      (ii) For further absence from home or work of less than one night (24 hours) allowance as for (a) (i) or (ii) above.

Note: No payment may be made in respect of subsistence for absences of less than 5 hours unless the member has travelled 5 miles or more each way to and from the place of meeting. This rule relates to subsistence only and not to allowances for loss of earnings.
Allowances for loss of Earnings

(4) Compensation for actual loss of earnings up to a maximum of 30/- a day (in addition to subsistence when due) is payable to workmen representatives who are working men following their trades and who have unavoidably suffered measurable pecuniary loss as a result of their attendance at a meeting.

(5) Employer or workmen representatives who, although in business on their own account, actually work at their trade in the same or similar way as though they were journeymen working for wages for at least three-quarters of the recognised number of normal working hours a week in that occupation may, if their attendance at a meeting has involved them in loss of remunerative time, receive an allowance at a rate not exceeding the rate of wages payable in the district to workmen of the same trade up to a maximum of 30/- a day (in addition to subsistence when due). Where the performance of remunerative work is merely advanced or deferred, no compensation is payable.

(6) The Ministry reserve the right:—

(a) to arrange for a visit of one of their officers to verify any claim made under paragraph (5); and

(b) in the case of a worker representative claiming under the rule in paragraph (4), to call for a certificate from his employer or for other satisfactory evidence of measurable pecuniary loss.

(7) No compensation for loss of earnings is payable in respect of the attendance of the following classes of members:—

(a) Full-time Trade Union officials.

(b) Employer representatives, other than as stated in (5) above.

(c) Persons whose employment is remunerated on a “Commission” basis.

(8) No compensation is payable to any member in respect of loss of overtime earnings.

STORMONT.
Dear Norman,

As you know, Lord Macdermott, Chairman of the Central Advisory Council for the Employment of the Disabled, has found it necessary to resign from the Council on becoming a Lord Justice of Appeal, and I am writing to ask you if you could see your way to accept appointment as Chairman in his stead.

The Council, consisting of an independent Chairman with equal numbers of employers’ and workers’ representatives and a number of persons representing other interests, was set up under the Disabled Persons (Employment) Act (Northern Ireland), 1945, and it is, as you know, charged with the duty of advising and assisting my Ministry in matters relating to the employment, undertaking of work on their own account or training of disabled persons generally. The sympathetic working out of these matters will mean a very great deal to disabled persons and especially to disabled ex-Service men and women, and in view of the importance of having the right Chairman it would give me very great pleasure if you could accept the appointment. I am well aware how busy you are and of the many calls which are made upon your time, but I do not think that the demands of the Council would be onerous, and I am looking forward to receiving a favourable reply.

Yours sincerely,

BRIAN MAGINESS.

CAPTAIN THE RT. HON. SIR NORMAN STRONGE, BART., M.C., H.M.I., M.P.,
TYNAN ABBEY,
TYNAN,
CO. ARMAGH.

Dear Brian,

Many thanks for your letter of 12th instant in which you ask me to be Chairman of the Central Advisory Council for the Employment of the Disabled. I will certainly do as you request, and only hope that I shall be able to be of some help to this very important committee.

Yours sincerely,

(Signed) NORMAN STRONGE.
Dear Minister,

In view of a letter which I have received from the Prime Minister advising me that I may be disqualified as a Member of Parliament on the ground that my membership of the Central Advisory Council on Disabled Persons, though voluntary and unpaid, may constitute, in law, an "office of profit under the Crown," I now wish to resign my membership of the Advisory Council on Disabled Persons.

Yours sincerely,

(Signed) C N. L. STRONGE.

MINISTRY OF LABOUR AND NATIONAL INSURANCE,
STORMONT,
BELFAST.

17th January, 1956.

Dear Sir Norman,

I have to acknowledge the receipt of your letter of 16th January. In view of your great interest in the welfare of disabled persons and of ex-servicemen generally, I can only say how sorry I am that you had to sever your connection with the Disabled Persons Advisory Council. I do, however, understand that the technicalities involved leave you no alternative.

Very sincerely,

(Signed) IVAN NEILL.

CAPTAIN THE RT. HON. SIR NORMAN STRONGE, BART.,
M.C., H.M.I., M.P.
HOUSE OF COMMONS,
PARLIAMENT BUILDINGS,
STORMONT.
TECHNICAL EDUCATION

Note by the Lord Privy Seal, the Secretary of State for Scotland and the Minister of Education

The attached draft White Paper on Technical Education has been prepared in accordance with the conclusions reached by the Cabinet at their meeting on 4th January (C.M.(56) 2nd Conclusions, Minute 6). It has been approved, subject to certain amendments which have now been made, by a Committee consisting of the Lord Privy Seal, the Minister of Education, the Minister of Labour, the Financial Secretary to the Treasury and the Joint Parliamentary Under-Secretary of State for Scotland.

2. We invite our colleagues to approve the White Paper for very early publication.

15th February, 1956.
TECHNICAL EDUCATION

Presented to Parliament by the Minister of Education and the Secretary of State for Scotland by Command of Her Majesty February 1956
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**Appendix A** — Note on the U.S.A., the U.S.S.R. and Western Europe

**Appendix B** — Report on Sandwich training and education by the National Advisory Council on Education for Industry and Commerce
DEFINITIONS

Most of those who pass through the system of technical education and make their careers in manufacturing industry are divided into three categories: technologists, technicians and craftsmen. For the purposes of this Paper these are defined broadly as follows:—

Technologists

A technologist has the qualifications and experience required for membership of a professional institution. Most university graduates in engineering and other applied sciences, and a good proportion of holders of Higher National Diplomas or Certificates or similar qualifications, become technologists.

A technologist has studied the fundamental principles of his chosen technology and should be able to use his knowledge and experience to initiate practical developments. He is expected to accept a high degree of responsibility and in many cases to push forward the boundaries of knowledge in his own particular field.

Technicians

A technician is qualified by specialist technical education and practical training to work under the general direction of a technologist. Consequently, he will require a good knowledge of mathematics and science related to his own speciality. Examples of technicians in the factory are assistant designers and junior ranks of management on the shop floor.

Craftsmen

Craftsmen represent the skilled labour of manufacturing industry and account for more than one-third of its manpower. With the growing complexity of machines and the introduction of new materials it becomes all the more necessary for them to appreciate not only the how but also the why of the work they do.

The following are the principal qualifications associated with the three categories defined above:—

University Degrees

A university honours degree is usually accepted for complete or partial exemption from the examinations of professional institutions. Some colleges of technology are affiliated to universities under arrangements which enable an internal degree to be obtained after a course at the college. More widely spread courses are held in major colleges for students intending to take external degrees of London University.

Technical College Diplomas

Certain technical colleges award their own diplomas or associateships at the end of courses at technological level, most of which are full-time.
National Diplomas and Certificates

National Diplomas and Certificates are awarded jointly by the Ministry of Education or the Scottish Education Department and the professional institutions concerned. There are two grades: Ordinary and Higher.

The Ordinary National Diploma is awarded to successful students who have taken a full-time course for two years from a minimum age of sixteen. The Higher National Diploma is awarded after a three years' full-time course starting at a minimum age of eighteen. Higher National Diplomas are usually recognised for exemption from certain examinations of professional institutions.

The Ordinary National Certificate is obtained by successful students at the end of a part-time course lasting three years from the age of sixteen, and the Higher National Certificate after two years' further study. It is common for students who have gained the Higher National Certificate to pursue their studies to a level which provides complete exemption from the examinations of professional institutions.

Certificates of the City and Guilds of London Institute

Final and Full Technological Certificates are awarded at the end of part-time courses of four or five years from the age of sixteen upwards. In craft subjects they represent the highest standards of skilled craftsmanship. Intermediate Certificates are awarded on the result of examination after a two year course. The Institute also holds examinations at technician level. These are broadly scientific in scope and in certain subjects are of a standard approximating to that required for a technologist.

Certificates of Regional Examining Unions

In England and Wales there are four Regional Examining Unions which work in close co-operation with the City and Guilds of London Institute and hold examinations of a similar level at the Intermediate stage and higher stages. Students then proceed to the final examination of the City and Guilds of London Institute.

Other Professional and Trade Certificates

In addition to the above qualifications awarded by examining bodies there are many certificates awarded on examination by professional and trade organisations.

INTRODUCTION

The Prime Minister, speaking at Bradford on 18th January, referred to the world-wide scientific revolution. He said: "The prizes will not go to the countries with the largest population. Those with the best systems of education will win. Science and technical skill give a dozen men the power to do as much as thousands did fifty years ago. Our scientists are doing brilliant work. But if we are to make full use of what we are learning, we shall need many more scientists, engineers and technicians. I am determined that this shortage shall be made good."

2. The figures given later in this Paper show how greatly the British system of scientific and technical education has expanded since before the war. Between 1938 and 1955 the number of university students in science and technology has doubled and since the Education Acts of 1944 and 1945, more schools and technical colleges have been built, more teachers have been recruited and more interest has been shown in education by parents and employers than in any corresponding period in our history.
3. But this is nothing like enough. From the U.S.A., Russia and Western Europe comes the challenge to look to our system of technical education to see whether it bears comparison with what is being done abroad. Such comparisons cannot be made accurately because standards and systems of education vary so much, but it is clear enough that all these countries are making an immense effort to train more scientific and technical manpower and that we are in danger of being left behind. A note about recent developments in the U.S.A., Russia and Western Europe is given in Appendix A.

4. But we do not need the spur of foreign examples. Our own circumstances show clearly enough the policies which we must pursue. Our aims are to strengthen the foundations of our economy, to improve the standards of living of our people, and to discharge effectively our manifold responsibilities overseas. Our success in each case will turn largely on our ability to secure a steady increase in industrial output, in productive investment, and in exports of goods and services of the highest quality at competitive prices. One industry after another is being compelled to follow its competitor, supplier or customer in modernising its techniques, knowing that unless new materials are discovered and new methods applied, British industry may fall behind in the race. The pace of change is quickening, and with it both the need and the demand for technical education.

5. The demand will be no less urgent from the less developed countries overseas, whom it is our duty and our interest to help win for themselves a higher standard of life. This can be done in two ways: there must be more places in our universities and technical colleges for overseas students, and more British experts must be available to work or teach abroad.

6. We face, then, an intense and rising demand for scientific manpower and by no means only for men and women with the highest qualifications. Every technologist relies on technicians and craftsmen to translate his plans into products. It would be a great mistake to increase the output of technologists without adequately supporting them at the lower levels from which in any event many of them are drawn. Much therefore depends on strengthening the base of the pyramid of technical education by improving the education in the schools and raising the numbers of school-leavers who are able and willing to take successfully the courses offered at technical colleges.

7. Here the prospects are good. The romance of science is catching on as can be seen even in the toy shops. Every year parents and children are taking a greater interest in technical education. More boys and girls are staying on at school after the statutory leaving age; more are taking science and more are continuing their education after school; and more are succeeding in the courses on which they have embarked. These are welcome signs that the base of the pyramid is growing stronger. It will also grow larger, since the age-groups from which Industry and the technical colleges are now recruiting are the smallest for a hundred years. Soon the figures will climb upwards. Last year the number of 18 year olds in Britain was 642,000; in ten years' time it will be about 850,000.

8. Technical education must not be too narrowly vocational or too confined to one skill or trade. Swift change is the characteristic of our age, so that a main purpose of the technical education of the future must be to teach boys and girls to be adaptable. Versatility has been the aim of a classical education; technical studies should lead to a similar versatility and should, therefore, be firmly grounded on the fundamentals of mathematics and science. It is much easier to adopt new ideas and new techniques when the principles on which they are based are already familiar.
9. The range of technical education goes far beyond the study of materials and mechanics. Accountancy, costing, salesmanship, commercial skills of all kinds, including foreign languages, are equally important to a great trading nation. Full employment brings new problems which are more likely to be soluble the wider is the understanding of how our economy works. Such subjects as economics, business management, wage systems and human relations must now be given more prominence.

10. In a sense, all technical progress rests upon the common foundation of language, and more attention will have to be given to the teaching of good plain English, the use of which saves time and money and avoids trouble. Without it bridges are hard to build over the gulfs that separate experts in different specialised subjects not only from the general public but from one another.

11. A place must always be found in technical studies for liberal education. The time available often limits what can be done in the way of introducing into the curriculum subjects such as history, literature and the arts, but in any event a wide treatment of scientific and technical subjects is essential if students who are to occupy responsible positions in industry are to emerge from their education with a broad outlook. We cannot afford either to fall behind in technical accomplishments or to neglect spiritual and human values.

12. Against this background the Government have reviewed the system of technical education in Great Britain. They are resolved that it shall fully match the needs of modern industry and offer to every boy and girl the chance of seizing the opportunities which scientific progress is opening before them. This White Paper, having described the progress made during the last ten years and the plans already in hand, announces proposals by the Government for a new major advance.

CHAPTER I
ENGLAND AND WALES
TECHNICAL EDUCATION TO-DAY
The school background

13. Plans for technical education must take account of progress in the schools. A varied pattern of secondary education is being developed. The aim is to help each boy and girl to go as far as their ability and perseverance will take them. For this purpose the organisation and interest of the work at the top of secondary schools are vitally important, for at fifteen children are free to leave school.

14. There are three main types of secondary school: grammar, technical and modern. They take about 20 per cent., 5 per cent., and 75 per cent. of an age-group respectively. The proportions vary from one area to another to meet local circumstances and preferences. Combinations of two of these types constitute "bilateral" schools, and some local education authorities are experimenting with comprehensive schools, which aim to give children under one roof the opportunity of all three types of secondary education at standards not inferior to those prevailing in separate schools.

15. Recent developments in the schools promise well for the future of technical education. In the grammar schools the pendulum is swinging towards science. Of boys who stay on into the sixth forms of maintained
grammar schools about 60 per cent. now take science as their main subject. In the direct grant grammar schools the figure is about 50 per cent, and in the public schools it is over 40 per cent. In many schools to-day the proportion of science sixth formers is so high that a further increase in their number will depend on an increase in the size of the sixth form as a whole. At the same time more thought needs to be given to the possibility of reducing early specialisation and of forging stronger links between the sciences and the arts.

16. It must also be said that some grammar schools and public schools still think too much in terms of white-collar jobs for their pupils. They fail fully to imagine the cornucopia of the scientific revolution and to picture to themselves the opportunities which a changing and expanding British industry can offer to their pupils during the next fifty years. If talent is not to be wasted, more boys and girls must stay on at school till they are eighteen and aim at studying science or technology at either a university or a technical college providing advanced courses.

17. Secondary technical schools, which provide a general secondary education with an increasing technical bias in the later years of the course, have an important part to play in areas where suitable courses are not already available in grammar schools. Proportionately, indeed, secondary technical schools have the best record of any kind of school in sending their pupils on to success in technical colleges.

18. Too many of these schools still select at thirteen a second layer of ability and put their children through a two or three year course, often in the premises of a technical college. This must be remedied. The secondary technical school of to-morrow should select at eleven from children of grammar school calibre and have buildings of its own and a staff which combines academic quality and industrial experience. Schools of this kind can build up strong sixth forms which will provide candidates for universities and for advanced courses at technical colleges.

19. Many secondary technical schools are gradually being transformed in this way and others are being built. Experience has already shown that these schools can establish a reputation which will be attractive to the ablest children of eleven and their parents. The pupils in these schools will look upon a career in industry as their natural goal whether it be reached direct or through a university.

20. Though the grammar and technical schools take, broadly speaking, the most able quarter of the boys and girls from primary schools there is substantial talent in the secondary modern schools. For example, in 1952–53 out of 2,700 winners of the Higher National Certificate of Mechanical Engineering, 23 per cent, had been to modern schools. Boys and girls in modern schools are beginning to take the General Certificate of Education (Ordinary level) at sixteen, and some transfer to the sixth form of a grammar school and go on to a university.

21. With facts such as these in mind modern schools are being encouraged to develop courses for their older pupils which stir their interest in the careers ahead of them, and act, as it were, as bridges between school and further education. These courses attract each year more children to stay on after fifteen in spite of the high earnings in juvenile employment. Boys and girls who stay on at school arrive at a technical college much better fitted to profit by their first course and much more likely to have the basic knowledge necessary to proceed to higher levels. It is also a great saving to the colleges not to have to teach their young students what they ought to have learned at school.
22. Secondary education will improve as the supply and qualifications of teachers improve. Upon these teachers and their colleagues in the primary schools will largely depend the success of the technical colleges. Too often in the past, the colleges have been thought of as mainly concerned with giving a second chance to those who missed or were deprived of opportunities at school. The stronger the schools become, the more confidently will the technical colleges be able to set their standards high.

**Youth Employment Service**

23. All these developments make it important for young people to be well informed about the new opportunities opened up by technological advance. An important part in this task is played by the Youth Employment Service which is provided by education authorities, or in some areas by the Ministry of Labour, all under the general direction of the Central Youth Employment Executive of the Ministry of Labour and National Service. This service, which has been greatly developed since the war, is in a very good position, in the talks on careers that it arranges in schools and in its individual advisory work, to make known the range of openings available and to advise on the ways and means by which training for the various occupations can be obtained; in many cases the service may do the most good by influencing the youngster and his parents in the direction of continuing full-time education rather than seeking immediate employment.

**Technical colleges to-day**

24. Technical colleges are concerned with an unlimited range of technology. Beside the wide field covered by mechanical, electrical, civil, aeronautical and chemical engineering, there are, for example, courses in architecture and building, textiles, mining, plastics and many forms of applied physics and chemistry. Indeed, students from almost every industry can be found in some technical college.

25. In England and Wales there are about 500 technical or commercial establishments varying from large colleges of technology, mostly in London and the County Borough, to small technical institutes.* Nearly all are maintained by local education authorities. Though some students attend as a condition of their employment, for example, because they are apprentices, most of them are volunteers. Some 80 per cent. of the work is vocational and most of it is part-time. The fees charged are very low, representing on an average no more than one-fifth of the cost of the course.

26. There has never been any uniform pattern of technical education throughout the country. Over the last sixty years or so technical colleges have grown up on response to local demand, their siting being largely dictated by the location of industry. A remarkable variety of studies has been organised, from preliminary courses for boys and girls of fifteen to post-graduate work. Courses at every level are often found in the same technical college. Some of the staff are full-time, many are part-time. Some courses are held in the day, more in the evening. Two things common to most colleges are that they were full soon after they opened and have been bursting at the seams ever since.

27. Since 1945, as a result of vigorous efforts by local education authorities and industry, more has been done to expand technical education than in any corresponding period. But with demand always running ahead of supply

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* There are in addition colleges of art, adult education centres and some 9,000 evening institutes which include a substantial number of students attending for vocational purposes.
the results achieved have not been appreciated as they deserve. Table I shows the growth of the numbers of students at establishments of further education since the war. The figures for 1938 are also shown for comparison.

### TABLE I
NUMBER OF STUDENTS IN GRANT-AIDED ESTABLISHMENTS OF FURTHER EDUCATION

<table>
<thead>
<tr>
<th>England and Wales</th>
<th>1937-38</th>
<th>1946-47</th>
<th>1954-55 Provisional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>20</td>
<td>45</td>
<td>64</td>
</tr>
<tr>
<td>Part-time day</td>
<td>89</td>
<td>200</td>
<td>402</td>
</tr>
<tr>
<td>Evening only (estimated)</td>
<td>1,094</td>
<td>1,166</td>
<td>1,575</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,203</td>
<td>1,411</td>
<td>2,041</td>
</tr>
</tbody>
</table>

28. The diagrams and tables below illustrate the part which the technical colleges and other establishments of further education now play in the educational system of England and Wales. They show the percentage of the population aged fifteen to twenty, year by year, who are at school or at universities, training colleges for teachers, colleges of technology, commerce or art, or evening institutes.

### TABLE II
BOYS

<table>
<thead>
<tr>
<th>Age</th>
<th>Schools</th>
<th>Universities</th>
<th>Teacher Training Colleges</th>
<th>Technical, Commercial and Art Colleges and Evening Institutes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Full-time</td>
<td>Part-time Day</td>
</tr>
<tr>
<td>20</td>
<td>—</td>
<td>4-5</td>
<td>0-5</td>
<td>0-9</td>
<td>5-8</td>
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<tr>
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<td>—</td>
<td>2-9</td>
<td>0-1</td>
<td>0-9</td>
<td>8-3</td>
</tr>
<tr>
<td>18</td>
<td>4-3</td>
<td>1-3</td>
<td>0-1</td>
<td>1-1</td>
<td>11-6</td>
</tr>
<tr>
<td>17</td>
<td>9-6</td>
<td>—</td>
<td>—</td>
<td>1-2</td>
<td>19-3</td>
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<td>17-9</td>
<td>—</td>
<td>—</td>
<td>1-4</td>
<td>21-1</td>
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<tr>
<td>15</td>
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<td>—</td>
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<td>1-3</td>
<td>15-3</td>
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### TABLE III
GIRLS

<table>
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<tr>
<th>Age</th>
<th>Schools</th>
<th>Universities</th>
<th>Teacher Training Colleges</th>
<th>Technical, Commercial and Art Colleges and Evening Institutes</th>
<th>Total</th>
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</thead>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Full-time</td>
<td>Part-time Day</td>
</tr>
<tr>
<td>20</td>
<td>—</td>
<td>1-6</td>
<td>1-6</td>
<td>0-4</td>
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<td>1-5</td>
<td>0-8</td>
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<td>1-5</td>
<td>4-8</td>
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<td>—</td>
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<tr>
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<td>32-9</td>
<td>—</td>
<td>—</td>
<td>2-7</td>
<td>4-7</td>
</tr>
</tbody>
</table>
29. The British system of technical education is probably more flexible than any other. For example, in most other countries it is very unusual for anyone leaving school before the age of eighteen to be able to embark on a career leading to the highest technological qualifications. The following paragraphs illustrate the routes by which in England and Wales a student may reach the various goals.

The part-time route

30. A boy of fifteen can go to a technical institute for a part-time junior course of one year which will improve his general education and help him to start at sixteen on an industrial apprenticeship or a commercial training. At that stage, joined by others who have left school at sixteen or seventeen, he will embark on a senior course of two or three years. Some of these will be craft courses leading to qualifications prescribed by industry, the examinations mostly being conducted by the City and Guilds of London Institute and Regional Examining Unions closely associated with it.

31. Parallel to the craft courses, or following them, come courses aimed at intermediate qualifications of technician level such as the Ordinary National Certificate, certain certificates of the City and Guilds of London Institute, and certain qualifications of industrial bodies.

32. At eighteen or nineteen the advanced stage begins. Until comparatively recently only a handful of students straight from school have been entering technical colleges at this point. Most part-time students at technical colleges have left school not later than sixteen and have worked their passage, many by study on one day a week and often one or more evenings as well, and many by evening work only, towards professional qualifications in engineering and other subjects. Advanced part-time courses last from two to four years and lead for most students to a Higher National Certificate, a London University degree, or some other recognised examination. Professional qualifications can be achieved after further study and practical experience in industry, so that the qualified technologist emerges at the age of 23–25.

33. In recent years a growing number of short post-graduate courses has been provided for the benefit of scientists and technologists employed in industry who wish to bring themselves up to date with the latest developments. In 1954 some 900 such courses were organised.

The full-time route

34. Full-time courses have also been organised in many of the major colleges. Those for the Ordinary National Diploma provide preliminary training suitable for entry into industry at eighteen as a student apprentice. These have not developed to any great extent because the majority of boys and girls who wish to remain in full-time education until they are eighteen prefer to stay at school.

35. The courses for the Higher National Diploma, being full-time are much more broadly based than those for the Higher National Certificate. They have a wider scientific content and normally include subjects of a liberal nature. Moreover, they often cover the full academic requirements for exemption from the examinations of professional bodies, whereas holders of the Higher National Certificate must spend an additional year or two on extra subjects, for example, works organisation and administration, and in some cases further specialised technical study.

36. In addition, a number of the major colleges provide full-time courses leading to graduate and post-graduate qualifications. These have hitherto represented the highest qualifications available to students in technical colleges.
National Colleges

37. Some industries, although important to the national economy, are too small to justify provision for advanced technical studies at more than one centre for each industry. This fact led the Ministry of Education soon after the war to arrange with six industries—foundry; horology and scientific instrument making; rubber; leather; food; and heating, ventilation and refrigeration engineering—to provide a national college for each of them. Selected students are sent full-time by the constituent firms, many of whom pay the students' wages during the course, the length of which varies from one to two years. The governing bodies, which are mainly representative of the industries concerned, are independent. The colleges are financed jointly by the Ministry and by industry, which has been generous towards them in both finance and gifts of equipment.

38. The College of Aeronautics at Cranfield differs in its origin and constitution from the other national colleges. It was established by the Government following the Fedden Report, and the Ministry of Education became responsible for the administration. The studies are post-graduate, and the governing body includes representatives of the Commonwealth and Services as well as industry.

Regional Planning

39. It was clear as far back as 1925 that the growth of technical colleges was leading to unnecessary duplication of courses in the highly industrialised regions. This was particularly true in Yorkshire where, on the advice of the then Board of Education, a Regional Advisory Council, representative of both educational and industrial interests, was established. Here and in other areas where other types of co-ordinating machinery were established much successful planning was done. In post-war conditions co-ordination was clearly still more desirable and in 1947, nine Regional Advisory Councils were set up to cover the whole of England. In Wales this function was entrusted to the Welsh Joint Education Committee. The Regional Advisory Councils serve two main purposes; (i) to bring education and industry together to find out the needs of young workers and advise on the provision required, and (ii) to secure reasonable economy of provision. Associated with these Councils are Regional Academic Boards for ensuring close co-operation between the universities and technical colleges in the provision of advanced courses. At the centre a National Advisory Council on Education for Industry and Commerce, which is largely representative of the regions, advises the Minister on national policy.

40. Much has been done by these bodies to establish good relations between industry and the colleges and to stimulate sound development. They must clearly play an even greater part in the future if courses, especially advanced courses, are to be organised on a strong and efficient basis and if adequate facilities are to be provided with reasonable economy in buildings and teaching staff.

Wales

41. Before the war the provision for technical education in Wales was, by comparison with that in England, somewhat meagre. This was a reflection of the traditional interest in grammar school education, seen mainly as a passport to the liberal professions, and of the fact that, in the past, Welsh industry, which was largely restricted to coal-mining, quarrying, iron, steel and tinplate, offered opportunities to relatively small numbers for skilled employment and high qualifications. Even so, the number of young Welshmen who availed themselves of these opportunities was insufficient for the
country's needs—they preferred to be trained as teachers, clergymen, administrators, lawyers and doctors, to work in Wales and elsewhere, while the small Welsh demand for skilled engineers and technicians was, to some extent, met from other parts of the United Kingdom.

42. The industrial situation has changed considerably during the last generation. The character of the old-established industries has been transformed and many new industries have settled in Wales. The coal-mining and metallurgical industries are now more highly mechanised and the new factories, like their counterparts in the rest of the United Kingdom, depend on skilled craftsmen, mechanical, electrical, production and chemical engineers, on draughtsmen and scientists for their maintenance and development. Such a change is equivalent to a new industrial revolution in the life of the Principality, and as such, it constitutes a challenge to established ways, particularly in educational outlook and provisions. Young workers entering Welsh industry at fifteen to-day need opportunities for training as craftsmen as never before. Welsh grammar school pupils are wanted in industries that did not exist when their fathers were boys. Consequently more students must be attracted into advanced courses in technical institutes and colleges and into degree courses in applied science at the University of Wales if the youth of Wales is to equip itself for leadership in the economic life of the Principality.

43. The continuing growth in technical education in recent years is the measure of the country's response to this challenge. Since the war full-time students at establishments of further education in Wales have increased from 1,500 to 2,500, part-time day students from 8,500 to 21,000 and evening students from 73,000 to 115,000.

44. During the same period seventeen new colleges have been completed or put under construction, while sixteen others have been extended.

45. These facts represent a real achievement in meeting the altered situation. The older establishments are also readjusting their work. For example, year by year more grammar schools are providing courses with a technical bias and the Welsh Joint Education Committee has correspondingly extended its examination arrangements to meet their needs and those of the technical institutes and colleges as well. It has also provided a forum for discussion and guidance to those local education authorities within whose areas the demands for advanced technical education have reached considerable dimensions.

46. This service has been a valuable one because the industrial pattern of Wales still differs from that of England. There have been far-reaching changes but Welsh undertakings, with one or two notable exceptions, are generally not so large nor so highly concentrated as their English counterparts, and the numbers of apprentices employed in separate establishments are comparatively small. Plans for advanced technical education in Wales must correspond with this situation. They must assume a readiness on the part of local education authorities and industry to co-operate if the best courses at the advanced level are to be provided for the technical experts of the future. Leaders of the educational and industrial life of the Principality must increasingly come to regard selected colleges as common possessions, to be developed to the highest level of academic efficiency in their own fields; uneconomic and wasteful proliferation of small advanced courses would provide only the second-rate, and would not be good enough as an educational support for modern industry.
CHAPTER II

THE ROLE OF THE UNIVERSITIES

47. In the education of technologists, the technical colleges are the partners of the universities. Their functions are complementary and although this Paper is not primarily concerned with the universities, it would be incomplete without some account of the role they play and of their recent development.

48. The contribution of the universities to both education and research in advanced technology as well as in pure science, is fundamental to our progress as a country. As explained below, the Government attach the greatest importance to the development of higher technology in the universities.

49. In some universities the technological studies are of a general nature: in others, they are more closely linked with the careers available in the region, such as the textile or chemical industries. Invariably, these studies are set against the broad background of fundamental science, and specialisation in technology is often not attempted until the post-graduate stage. Although many students work in factories in the vacations, at most universities they gain their first real experience of industry after graduation or after a period of post-graduate study or research.

50. The universities have greatly expanded since the war, and this expansion has been mainly on the scientific side. In 1946 the Committee on Scientific Manpower (Cmd. 6824) recommended that the university output of scientists and technologists should be doubled. The universities responded to this call and accepted a heavy degree of overcrowding to meet the pent up demand of those whose university careers had been interrupted or postponed owing to the war. The number of full-time university students of science and technology rose from 12,949 in 1938–39 to 27,659 in 1950–51, an increase of 121 per cent. While this peak was not wholly maintained when the ex-service demand fell off, the reduction in numbers was surprisingly small, and they are now rising again. In the current session full-time students of science and technology have reached a new peak of 29,013, 132 per cent. above the 1938–39 figure. They now represent 34½ per cent. of the university student population, as against 26 per cent. in 1938–39. The numbers obtaining first degrees in science and technology is now just over 6,000. Of these pure science accounts for 4,200, many of whom ultimately enter industry, and technology for about 1,850. There are, in addition, some 450 students who obtain diplomas in technology.

51. During the whole of the period since the war, buildings for teaching and research in science and technology have received high priority in the allocation of grants by the University Grants Committee towards capital expenditure by the universities.

52. Of £24½ million spent or committed since the war on major building schemes (£50,000 or more) from moneys at the free disposal of the University Grants Committee, £7½ million was allocated to buildings of interest to all faculties (halls of residence, student amenities, libraries, etc.) and £16½ million to buildings for teaching and research. Of this £16½ million, about 84 per cent. went to science in its various forms including technology and medicine. These figures do not include the special allocations for technology referred to below: nor do they include the extension of the Manchester College of Technology, costing about £1¼ million, which has been financed by loans raised by the Corporation of Manchester.
53. The Government decided that a still further effort was needed to extend the supply of university trained technologists and in 1953 they announced their intention to undertake a massive expansion of the Imperial College of Science and Technology (University of London) to enable its student numbers to be increased from 1,650 to 3,000: they have already increased by about a quarter. This project will ultimately cost about £15 million. A further programme of development outside London was announced on the 7th December, 1954. This includes major developments at Glasgow, Manchester, Leeds and Birmingham; schemes on a fairly large scale at Cambridge and Sheffield; and specialised developments at other universities, financed in some cases by Treasury grant and in others by industry, at Edinburgh, Bristol, Newcastle upon Tyne, Nottingham, Southampton and Swansea. The developments at Glasgow and Manchester are based on the Colleges of Technology as well as on the universities. The capital grants required to finance these developments will amount to about £5 million and £1½ million for equipment. These grants have been supplemented on a considerable scale by benefactions from industry of both money and equipment.

54. Most of the building projects in the programme outlined in the previous paragraph are already under construction and all will have been started by 1957, the final year of the present university quinquennium, which began in 1952. The Universities are now formulating their plans for further developments to be put in hand during the quinquennium 1957–62. The university Grants Committee, who will consider these proposals, will then make recommendations to the Government during the present year.

CHAPTER III

THE PLAN FOR THE TECHNICAL COLLEGES OF ENGLAND AND WALES

55. Against the background described in Chapter II the Government have decided on a further expansion of technical colleges. For this purpose they propose to put in hand immediately a five-year programme of development related as closely as can be to the most urgent demands and the extent of available resources. The objectives during this period are to increase by about a half the output of students from advanced courses at technical colleges and, as part of a proportionate increase at the lower levels, to double the numbers released by their employers for part-time courses during the day. This will call for building to be started in the period 1956–61 to the value of about £70 million. When these objectives are secured, the Government will consider what further measures are needed. The details of the five-year plan are described below.

TECHNOLOGISTS

56. The mixture of earning and learning made possible by technical colleges continues to demonstrate its success. The students have proved their worth in practice and employers want more of them. The present annual output from advanced courses at technical colleges in England and Wales
(including roughly 1,000 who gain degrees in science and about 500 who gain degrees in technology) is about 9,500. The proportion of these who ultimately become technologists in the sense in which the term is used in this Paper (see page 1) is not precisely known, but is probably about one half. The Government now propose to raise the capacity of advanced courses at technical colleges as soon as possible from 9,500 to about 15,000.

Advanced full-time and sandwich courses

57. As technologies grow more complex and the need for versatility increases, the strain of reaching these high qualifications by evening work or by studies on one or two days a week becomes more severe. There will be many, especially those who ambitions do not extend beyond the Higher National Certificate, who will wish or will be obliged by circumstances to continue to take part-time courses. But the Government believe that for the highest technological qualifications sandwich courses will become more and more appropriate. These are courses lasting four or five years and involving alternate periods, usually of three to six months, of theoretical education in a technical college and specially designed practical training in industry.

58. These advanced courses will suit the able worker who has already had experience in industry and should also attract an increasing number of boys and girls who, when they leave school at eighteen, feel the urge to start their careers as soon as possible.

59. The National Advisory Council on Education for Industry and Commerce under the chairmanship of Lieut-General Sir Ronald Weeks has very recently submitted to the Minister of Education a report on sandwich courses. This report has been prepared after consultation with the Federation of British Industries, the National Union of Manufacturers, the Association of Chambers of Commerce, the Trades Union Congress and the associations of local education authorities and teachers, and all these bodies have expressed their general support for the proposals in it. It is reproduced as Appendix B to this Paper. The Government fully endorse this report. Sandwich courses have been or are being developed for the building, chemical, electrical, mechanical engineering, mining and railway industries and similar arrangements for other industries will be vigorously encouraged.

60. Sandwich courses at the highest level will, no doubt, be eligible for the new Award to be given by the National Council for Technological Awards under the chairmanship of Lord Hives. This Council has been set up on the recommendation of the National Advisory Council on Education for Industry and Commerce. At the moment, the only national qualification of sufficiently high level for many of the best students attending technical colleges is the London External Degree. This suffers from the disadvantages inherent in external control and is limited to a few technologies. It was therefore considered to be unsuitable as a permanent qualification for colleges of advanced technology. In the National Advisory Council's view the best way of overcoming the difficulty was to create a new qualification of high standing which would allow the colleges freedom to plan their own courses in consultation with industry and the professional bodies and to conduct their own examinations. The National Council for Technological Awards, which is an independent body, was recently established to create and administer this new qualification and to satisfy itself that conditions of teaching, and the syllabuses and examinations, are satisfactory. This is a vital task: the work of the Council will do much to determine the scope and quality of advanced technological studies in the next generation.
Aid to students

61. These developments must be backed by an adequate system of financial aid. For those already employed in industry Technical State Scholarships are available to help students of outstanding intellectual ability to pursue honours degree courses at universities or courses of equivalent standing elsewhere. Students proposing to attend courses leading to a Technological Award will, therefore, be eligible for Technical State Scholarships and the number will be raised as these courses develop.

62. In order to encourage boys and girls to enter these courses straight from school, the Government propose in future to allow ordinary State Scholarships awarded on the results of the General Certificate of Education Examination to be held not only for honours courses at universities, but also for courses leading to a Technological Award.

63. Local education authorities already have power to assist students at such courses and, in view of the academic level of these studies, authorities are being asked to give such assistance in the form of Major Awards, i.e., at rates equivalent to those paid to university students.

64. The Government are glad to note that many of the students now attending advanced sandwich courses are assisted generously by their employers. Enlightened firms pay the college fees and the students' wages during studies, the latter at a rate which would be earned if the students were working in industry. This arrangement attracts students to the courses, stimulates their sense of loyalty to the firms and strengthens the firms' ties with the colleges. This is a healthy development which the Government have encouraged by allowing the payment of fees to count as a business expense for income tax purposes, and they hope to see more firms adopting this practice.

Colleges of Advanced Technology

65. The Government consider that the bulk of full-time or sandwich courses should be carried on in colleges which concentrate on advanced courses of technological level.

66. Teachers capable of taking charge of such courses are scarce and the equipment they need is often expensive. Moreover, an advanced course in one technology often cannot be efficient unless allied technologies are studied to a similar level in the same college. The college must also be strong in the appropriate fundamental sciences. And opportunities for research are essential in order to promote fully effective co-operation between industry and the staff of the technical college.

67. In 1952 a special rate of 75 per cent. grant was introduced to foster the development of technical colleges in which a large proportion of the work would consist of advanced work and research in technology including courses in advanced technology at graduate and post-graduate levels.

68. The following twenty-four* colleges at present receive 75 per cent. grant for certain of their advanced work: —

   Birmingham College of Technology.
   Bradford Technical College.
   Brighton Technical College.

* The Manchester College of Technology, which has been receiving 75 per cent. grant, has now been granted a Royal Charter and will come under the aegis of the University Grants Committee. It is therefore not included in the list.
Huddersfield Technical College.
Leicester College of Technology and Commerce.
Liverpool College of Building.
London—
   Battersea Polytechnic.
   Lambeth, Brixton L.C.C. School of Building.
   Chelsea Polytechnic.
   Finsbury, Northampton Polytechnic.
   Islington, Northern Polytechnic
   St. Marylebone, The Polytechnic.
   City, Sir John Cass College.
   Southwark, Borough Polytechnic.
   Woolwich Polytechnic.
Middlesex, Acton Technical College.
Nottingham and District Technical College.
Salford, Royal Technical College.
Stoke-on-Trent, North Staffordshire Technical College.
Sunderland Technical College.
Warwickshire, Rugby College of Technology and Arts.

and in Wales:—
   Cardiff College of Technology and Commerce.
   Treforest, Glamorgan Technical College.

69. The Government now wish to see the proportion of advanced work at these colleges vigorously increased. The Minister of Education will discuss forthwith with the local education authorities concerned how this can be done within the framework of the building programme announced in this Paper. In addition there may be a few other colleges which, because of developments now in train or the movement of industry, may qualify for 75 per cent. grant.

70. The building up of colleges of advanced technology will not prevent the development elsewhere in suitable cases of advanced courses, particularly those of a part-time nature. Indeed, part-time advanced courses are already provided in some 150 local colleges conveniently placed for the students and part-time staff who work in industry. These courses make a vital contribution to the total output of technologists, especially by the Higher National Certificate route, and they will be expected to continue and develop as long as they are efficient and can attract enough students.

71. There are those who argue that a college of advanced technology cannot be successfully administered within the framework of local government. The Government do not accept this. Local authorities take great pride in such colleges and often have been willing to find more money for them than the pressure on national resources has allowed them to spend. To remove them from local control against the wishes of the authorities could be justified neither by past experience nor by the hope of better results from a more central control. This statement is, however, subject to one qualification: the Government do rely on the local authorities to work
effectively together in planning the provision of courses and—just as important—in making it possible for students, whether they live in their own or another local authority's area, to attend courses which best suit their needs.

72. Colleges of advanced technology must also have the independence appropriate to the academic level of their work. Some local authorities have pointed the way by establishing strong governing bodies widely representative of industry and with power to spend within the heads of annual estimates approved by the authority. The Minister is taking steps in consultation with the local education authorities concerned to ensure the general adoption of this policy for all colleges of advanced technology. He also proposes to review the accommodation and equipment of each such college and to satisfy himself that the staff are adequately qualified and have appropriate freedom to plan their own courses.

73. Within the five-year programme of capital development announced in this Paper the colleges of advanced technology will be expected to make considerable progress in increasing their volume of advanced work, especially by means of full-time and sandwich courses, and in divesting themselves of work below the advanced level. They will be expected, too, to develop a substantial amount of research, particularly research sponsored by industry, and, where appropriate, to initiate post-graduate studies. They should also encourage their staff to undertake a reasonable amount of consulting work.

74. For all this to be done the scale of staffing will have to be more generous than it is in some cases at present. This must be faced, for these colleges are of crucial importance to the future of technological education in this country.

75. These and all other colleges engaged on advanced work will be expected to develop close contacts with the appropriate universities. This is done today both direct and through the Regional Academic Boards for Technical Education on which the universities, the local education authorities, the technical colleges and industry are represented. It seems probable that the resources of both universities and colleges could be co-ordinated to greater effect than is sometimes the case at present.

TECHNICIANS AND CRAFTSMEN

76. The conditions which demand an increase in technologists apply also to technicians. As many as five or six technicians may be required to every technologist. The Minister of Labour and National Service has already asked industry, through his National Joint Advisory Council, to consider future needs for technicians and craftsmen and how to meet them.

77. The traditional method of training technicians and craftsmen in this country is apprenticeship, of which the characteristic feature is that the apprentice receives practical training in employment for a period of years. Versatility and grasp of principles are indispensable for enabling those who are being trained today to keep up-to-date and play their part effectively in the conditions of the future. In view of this employers in most industries which have adopted apprenticeship schemes have agreed to release their apprentices for one day a week for attendance at technical classes where facilities exist.

78. Since the war there has been a great increase in the use made of such facilities, but there is certainly scope for more. Table IV shows the wide variations in the practice of day release in different industries.
### Educational Year 1953-54

#### Students "Released" from Industry

Students aged under 18 years released by their employers to attend courses for part-time education shown as a percentage of the estimated number aged under 18 years who are insured under the National Insurance Acts.

<table>
<thead>
<tr>
<th>Industry†</th>
<th>Boys</th>
<th>Girls</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimated numbers insured at end of May*</td>
<td>Numbers released by employers during year</td>
</tr>
<tr>
<td>Engineering, Shipbuilding and Electrical Goods</td>
<td>77,330</td>
<td>69,203</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>37,560</td>
<td>20,807</td>
</tr>
<tr>
<td>Public Administration and Defence</td>
<td>10,050</td>
<td>5,495</td>
</tr>
<tr>
<td>Building and Contracting</td>
<td>67,670</td>
<td>30,216</td>
</tr>
<tr>
<td>Chemicals and Allied Trades</td>
<td>8,140</td>
<td>3,220</td>
</tr>
<tr>
<td>Gas, Electricity and Water Supply</td>
<td>6,830</td>
<td>2,503</td>
</tr>
<tr>
<td>Paper and Printing</td>
<td>19,620</td>
<td>6,455</td>
</tr>
<tr>
<td>Professional Services</td>
<td>12,730</td>
<td>3,371</td>
</tr>
<tr>
<td>Transport and Communications</td>
<td>40,370</td>
<td>6,679</td>
</tr>
<tr>
<td>Metal Manufacture</td>
<td>16,230</td>
<td>2,516</td>
</tr>
<tr>
<td>Other Manufacturing Industries</td>
<td>6,150</td>
<td>896</td>
</tr>
<tr>
<td>Clothing</td>
<td>12,440</td>
<td>1,706</td>
</tr>
<tr>
<td>Food, Drink and Tobacco</td>
<td>21,580</td>
<td>2,450</td>
</tr>
<tr>
<td>Textiles</td>
<td>17,880</td>
<td>1,846</td>
</tr>
<tr>
<td>Precision Instruments, Jewellery, etc.</td>
<td>5,360</td>
<td>482</td>
</tr>
<tr>
<td>Manufacturers of Wood and Cork</td>
<td>20,260</td>
<td>1,184</td>
</tr>
<tr>
<td>Vehicles</td>
<td>48,980</td>
<td>2,916</td>
</tr>
<tr>
<td>Treatment of Non-Metallicous Mining Products other than coal</td>
<td>11,800</td>
<td>584</td>
</tr>
<tr>
<td>Distributive Trades</td>
<td>76,360</td>
<td>3,025</td>
</tr>
<tr>
<td>Leather, Leather Goods and Fur</td>
<td>2,340</td>
<td>95</td>
</tr>
<tr>
<td>Miscellaneous Services (including Entertainment)</td>
<td>19,060</td>
<td>503</td>
</tr>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>46,610</td>
<td>574</td>
</tr>
<tr>
<td>Insurance, Banking and Finance</td>
<td>7,240</td>
<td>7</td>
</tr>
<tr>
<td>Metal Goods not elsewhere specified</td>
<td>17,410</td>
<td>163</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>610,400</td>
<td>166,896</td>
</tr>
</tbody>
</table>

* Figures supplied by Ministry of Labour and National Service.
† Industries classified in accordance with the Standard Industrial Classification.
79. Technical education, essential as it is, is always regarded as an adjunct to, and not a substitute for, practical training on the job. Industry, therefore, must play the leading part in any increased output of craftsmen, but the Government will be ready to do its share in providing the additional facilities for technical education which may be required both to match any rise in numbers as well as to meet any call for more intensive technical education of apprentices.

80. The terms of apprenticeship and education should be adjusted to suit changing needs. For example, it is undesirable that rigid apprenticeship age limits should prevent the completion of a pre-apprenticeship full-time course where this is found to provide a useful preparation for a young person who intends to become a skilled craftsman but who would not finish the course until after his sixteenth birthday. At the other end, the withdrawal of the privilege of day release at the age of eighteen, which sometimes occurs in the middle of an educational year, discourages both students and colleges.

Wastage

81. Serious wastage occurs at present in courses for technicians and craftsmen. In many courses only one-quarter of those who start reach and succeed in the examination which comes at the end of it.

82. Most of the wastage takes place at the age of about sixteen. The main reasons for it are reliance on evening classes, the need to work overtime, being away on a job, shift work, travelling difficulties, ill-health, a change to another job, home conditions which make study there impossible, or lack of encouragement from the employer. Some of these are irremediable, but the present rate of wastage can be reduced by greater understanding on the part of parents and employers, by better selection and especially by the substitution of part-time day for evening classes.

83. It is not always easy to judge whether a boy or girl of fifteen or sixteen will be able to make a success of a particular course and it is human to err on the side of generosity. Young people want to feel that they can go far. But it is a mistaken kindness to admit them to courses for which their ability is clearly inadequate. The temptation to do this is less where there is a system of easy transfer upwards from one grade of course to another.

84. Experience shows that wastage from part-time day courses, especially the large majority which are attended as part of a formal apprenticeship training, is much less than from evening classes. The local education authorities and industry will therefore be urged to enable more and more boys and girls to study during the day instead of in the evening. At technician level it may well be advantageous to provide some of these day-time classes in the shape of sandwich courses as recommended in the report at Appendix B to this Paper.

85. Table IV shows the number of boys and girls under eighteen released by their employers during the day in 1953–54. In that year the number of students of all ages released during the day was 326,000. In 1954–55 this number rose to 355,000. The Government’s aim now is to see this last figure doubled.

Refresher courses

86. As industrial techniques develop it will be important to provide opportunities for workers in mid-career to bring themselves up to date. Training in new skills will remain the responsibility of industry, but it will be for the technical colleges to provide short courses designed to explain the principles involved.
THE FURTHER EDUCATION OF GIRLS

87. Girls are a match for boys at school. They do at least as well in the selection at eleven plus and in most secondary school examinations. But once they leave school far fewer girls continue their education. The only exception is that twice as many girls as boys take full-time courses in further education between the ages of fifteen and eighteen, but the numbers involved are very small. The picture is quite different for part-time courses, for which four times as many boys as girls are released. Among girls of eighteen only one in five pursues any form of education. How unsatisfactory these figures are can be seen against the fact that half the girls and women in the country between the ages of fifteen and thirty-five are “gainfully occupied”. Hundreds of thousands of these young women are not making the best use of their talents because they stopped their education when they left school.

88. A great many girls do not see the point of further education once they have got a job. Their hopes are naturally bent on marriage and they fear perhaps—though there is much experience to prove them wrong—that by aiming at a certificate they may miss a husband.

89. Employers, finding that many girls marry early and give up their jobs, often think it not worth while to help the girls who come to them from school to continue their education. We find, for example, that only one girl in twenty-five in the distributive trades, which employ over a quarter of the girls in work, is released for a day-time course. In short, so many girls leave school with the idea that whatever job they take they are only filling in time till they get married that the demand for their further education is very much smaller than it ought to be.

90. A change of outlook is needed, not because more girls and women should be persuaded to go out to work, but because further education will enable the great number who do earn their living to qualify for better jobs and to gain the maximum pleasure and profit from their work; and, contrary to old-fashioned ideas, such further education is not wasted if a girl marries and exchanges a career outside the home for one within it. Far more often than not the knowledge and experience that comes from studying for a better job helps her to build her own family on foundations of common interests and understanding.

91. Apart from teaching, the most popular courses with girls cover such subjects as nursing, commercial and secretarial work, commercial and industrial design, art, the needle trades, catering, cookery and domestic subjects. Fair numbers are taking courses in scientific subjects, but there is no doubt many more could take up science and would find openings for most successful careers. The problem is how to increase the number of girls asking for science courses, and the weakness here is in the secondary schools, where there is a shortage of teachers of mathematics and science more pronounced than in boys’ schools. The best point to attack this problem must be in the girls’ grammar schools where the Head could influence more girls, who have decided to take up teaching, to choose science or mathematics as their special subject. Only small numbers of girls at present decide to study science or mathematics at the universities or training colleges. It is in the national interest that more should be encouraged to do so.

92. We do not know the precise extent of the reserve of talent among our young people, which waits to be developed by further education; but it is safe to say that it is greater among the girls than the boys. As, however, the ambition to marry will very rightly continue to be uppermost in the thoughts
of girls, progress in recruiting more girls and women for courses in technical colleges depends on their recognition that further education will help and not hinder the prospects of a happy married life.

THE PROGRAMME OF CAPITAL DEVELOPMENT

93. The building programme for technical colleges for 1956-57 is planned to reach about £9 million. Though this is £2 million larger than the 1955-56 programme and nearly £4 million larger than the 1954-55 programme, it is a good deal less than local education authorities have asked for. The Government propose to step the programme up. The rate of the increase will be decided from time to time, [in the light of economic circumstances and progress with the programme], but the general intention is to start £70 million worth of work within a period of five years, i.e., over the years 1956-57 to 1960-61 inclusive. These projects are estimated to require the expenditure of a further £15 million for equipment.

94. For projects such as technical colleges, which are often large and always complex, the present system of compiling annual programmes only about twelve months ahead of the beginning of the year in which the projects are due to be started is inadequate. In order to give authorities longer notice, the Minister of Education will approve this spring a programme of £15 million for 1957-58 and a [provisional] programme, also of £15 million, for 1958-59. Thus, taking into account the programme of £9 million already approved for 1956-57, the Government's proposals provide for a total of £39 million worth of work to be started during the first three years of the five-year period.

95. When the programme for 1957-58 and the [provisional] programme for 1958-59 have been approved, the Minister will invite advance proposals for 1959-60 and 1960-61 with a view to encouraging authorities to proceed with the planning of at least the larger projects which should be started in those years. The 1959-60 programme as a whole will be approved not later than the spring of 1957.

96. Our best post-war schools have become famous throughout the world because they combine low cost with high quality of design, construction and finish. The lessons which have been learned in school building will be applied to technical colleges. Fine college buildings can illustrate, as nothing else can, the confidence in the future which inspires the expansion of technical education. The Government hope that in view of the importance of these projects local authorities will be careful to choose good architects whether from their own staff or from those in private practice. They hope too that authorities will insist on adequate briefing and planning before building begins and that architects and contractors will combine to show what efficient teamwork can achieve.

97. A technical college is much more than a collection of workshops, laboratories and classrooms. There must be facilities for food, recreation and social life, and at some colleges of advanced technology hostel accommodation will be required. It is hoped that industries for which courses leading to the new technological award have been arranged will help to provide hostels for their employees.

98. At the lower levels many more buildings for technical education will be required close to the homes or work of the young people concerned. Local colleges will be needed both to relieve the colleges of advanced technology of their less advanced work and to provide a location for the day-time courses which will be substituted for some of the evening classes at secondary schools.
THE SUPPLY OF TEACHERS

99. There are at present some 40,000 part-time and about 9,000 full-time teachers in technical colleges. These figures show the dependence of the colleges on part-time teachers. About 9,500 of them are school teachers who teach in technical colleges in the evening. Most of the rest are drawn from industry and commerce on account of their special qualifications and experience. Some are released by their employers to teach part-time day students. Many teach classes in their spare time.

100. A considerable number of the full-time teachers are university graduates with industrial experience. Others have technician or craft qualifications. Many come from the ranks of the part-time: they acquire a liking for teaching when they are given charge of part-time classes and then turn over to full-time service as the opportunity arises. Indeed teachers recruited in this fashion are often among the best. Such transfers from industry by men in mid-career are an important source of strength to the technical colleges.

101. To achieve the objectives set out in this Paper many more teachers will be required. The Government hope that industry will be ready to release yet more of its employees for part-time teaching during the day, so that its apprentices may be given the more through grounding which modern conditions require.

102. The supply of full-time teachers has recently been growing at the very satisfactory rate of 700 to 800 a year. Local education authorities have a substantial measure of discretion over salaries for technical college staffs and by offering the right conditions of service they should be able to attract a reasonable share of the available technical manpower.

103. The success of our plans depends as much on quality of teaching as on numbers. In improving quality training can play an important part. Since 1945 training colleges for technical teachers, mainly for full-time teachers, have been established in London and at Bolton and Huddersfield. The Ministry of Education, local education authorities and Regional Advisory Councils run many short courses for part-time teachers and a number of well-known firms have co-operated in this work, lending staff and lecturers for the courses and giving the teachers opportunities to keep abreast of industrial developments. The professional institutions, which have done so much to raise standards in technical education, have also helped by organising conferences for teachers on modern methods in teaching and industrial practice.

104. The Government hope to see more and more teachers taking advantage of these facilities and as the supply of teachers improves it will be possible for increasing numbers to be released by local education authorities for refresher experience in industry. This experience is invaluable and the practice should be encouraged to the fullest extent possible.

TECHNICAL LITERATURE

105. Every technical college should have a library with adequate supplies of technical books and journals. The library can play an important part in the general life of the college, and especially in the development of its advanced work and in training students in methods of handling technical literature. Its first duty is to the staff and students of the college. It can also, however, give valuable service by making its resources available to local industry and by acting as a centre for the supply of technical information and the exchange of technical ideas. In this way the library can make some return for the release of part-time teachers from industry, which is so
vital to the Government’s plans. For these reasons every technical college library should have a grant large enough to enable its acquisition of books and periodicals to keep pace with technical developments.

106. There should also be as much co-operation as possible between college, public and other libraries at local, regional and national levels. This will make easier the interchange of technical material and information, which is particularly desirable in view of the high cost of many technical books.

CHAPTER IV

SCOTLAND

THE STRUCTURE OF TECHNICAL EDUCATION IN SCOTLAND

107. What is said in the introduction to this Paper on the need for and the aims of technical education and on the distinguishing features of the form that kind of education takes in Britain, applies to Scotland no less than to England and Wales. In other ways, too, technical education in both countries has much in common. In both, boys leaving school at fifteen can pursue their studies part-time right up to an advanced standard comparable with that of a university degree. Those completing a full secondary school course at seventeen or eighteen can enter the part-time courses at technical colleges at a higher level, or can enter on full-time courses for a degree or comparable award. Again, the part-time qualifications which are so important a feature of technical education—the National Certificates and the awards of the City and Guilds of London Institute—are the same in both countries. But there has been a considerable difference in the evolution of the structure within which technical education is given in the two countries. After a short survey of secondary education as the foundation of that structure, this chapter describes its development in Scotland and the Government’s proposals for carrying forward that development to keep pace with the needs of the new industrial age.

SECONDARY EDUCATION

108. Pupils are allocated to secondary courses, usually between the ages 11½ and 12½ according to their fitness to profit from them, but may be transferred to another course later if necessary. Courses are of two main types, those extending normally to three years, called junior secondary courses and intended for pupils leaving school at fifteen, and those extending to five or six years, known as senior secondary courses. The former correspond roughly to those provided in secondary modern schools in England, while the latter cater broadly for the types of pupils who are there admitted to grammar schools and secondary technical schools. Both provide a general education but are differentiated to suit varying needs and abilities, and both include technical courses. While some schools offer only junior secondary courses and some only senior secondary, in a number of schools of the “comprehensive” type, both are provided.

109. Junior secondary courses are attended by about 70 per cent. of secondary pupils. All the pupils study science and at least some mathematics and all boys receive a training in crafts and in technical subjects. In their recent memorandum “Junior Secondary Education” the Scottish Education Department have recommended a realistic approach to all subjects which will
take account of the lives the pupils will later lead as individuals and as citizens, and of their vocational aims. The great majority of the pupils leave at fifteen to enter employment, but a number of schools have successfully developed intensive fourth year classes in which those who remain at school can prepare themselves for more advanced technical and commercial education, and this development is receiving every encouragement.

110. Senior secondary courses account for as much as 30 per cent. of the total secondary intake and even this figure is exceeded in some areas. These courses normally lead to presentation for the Scottish Leaving Certificate, which corresponds broadly to the General Certificate of Education in England. Candidates may be presented in the fifth or sixth year in any subject on either the lower or the higher grade. The standard of the lower grade corresponds roughly to that of the ordinary level of the General Certificate of Education, but that of the higher grade, not being based on a period of specialised study in a sixth form in the English sense, is not as high as that of the advanced level. Pupils may also be presented on the lower grade only in the fourth year provided they are leaving school at the end of that year, a condition which it is now proposed to remove.

111. The great majority of boys and girls study both mathematics and science for at least three years, and the number taking these subjects up to the level of the Scottish Leaving Certificate has increased steadily. In 1954, mathematics with 7,418 candidates, was second only to English with 8,499, and science with 4,861 occupied fifth place among the 25 subjects of the examination. Practically all the schools have facilities for craft work and for technical subjects, and 145 out of a total of 235 provide courses in technical subjects leading to the Scottish Leaving Certificate.

112. The relatively high percentage of the secondary intake already admitted to senior secondary courses suggests that expansion of numbers must come mainly from a reduction in wastage. Although the number of pupils in the fifth and sixth years has been gradually increasing, many pupils of ability still leave prematurely, and concerted efforts are being made by approaches both to the pupils and to their parents, to encourage more to complete the course and qualify themselves either for further study or for entry to the professions and to the higher ranges of industry and commerce. If this aim is to be achieved the schools must cater adequately not only for the minority of academic bent, but also for those whose needs would be better met by courses of a more practical character. The curriculum is accordingly now being examined with a view to introducing as much variety and flexibility as possible, and to ensuring proper integration with courses of further education at the various levels.

CENTRAL INSTITUTIONS

113. In Scotland, in contrast to England, the keystone of the system of technical education has been, not the local technical college administered by a single education authority and serving that authority’s area, but the central institution functioning on a regional basis. These institutions came into existence in the first decade of the present century under independent governing bodies representing the educational, industrial and other public interests in the region. From the outset, they were designed to provide, in addition to such other less advanced facilities as might be appropriate, the highest forms of instruction in applied science, together with opportunities of research and discovery. In the words of the official announcement of this policy in 1901: “It is from such institutions . . . that decisive advantage to the industries of the country, in so far as that is dependent on educational arrangements, is to be looked for.”
114. Scotland, therefore, began not with a large number of local technical colleges as the broad base of a pyramid on which higher institutions would later be raised, but with a small number of central institutions as pioneer centres which blazed the trail in technical education and round which local outposts—the local further education centres—were later to grow up, drawing inspiration from the central institutions. That technical education in Scotland should originate in this regional framework is largely attributable to factors of geography and population. It has proved itself well suited to the needs of a small country with a limited population heavily concentrated in a few industrial areas. The central institutions—of which 7* are concerned with the strictly "technical" subjects—have grown steadily in importance and usefulness as their range of courses, numbers of students, both full-time and part-time, and buildings have expanded. Not only have they made great strides within their own bounds in developing the higher forms of technical education, but they have exercised a profound influence on the provision made by education authorities at the more elementary levels.

Full-time Courses

115. From the outset, the courses offered at the colleges—full-time and part-time—covered a wide range of subjects including the sciences, pure and applied, and the technologies relating to industries, such as engineering in all its branches, building, printing, baking, brewing and woollen manufacture. The distinguishing feature of the colleges has been the full-time courses leading to their own diploma or associateship. Indeed, in some, the greater proportion of the work is full-time. The numbers taking these courses have risen from 1,600 in 1938 to 2,000 in 1954.

116. The full-time courses are of three or four years' duration, and comparable in scope and standard with university degrees. Age and qualifications for entry are usually similar to those for a university degree, except as regards such requirements as a foreign language. The awards thus instituted by the individual colleges have won for themselves an increasing reputation both in Scotland and beyond which testifies to the high standard of instruction provided. The highest awards of the two leading central institutions—the Royal Technical College, Glasgow, and the Heriot-Watt College, Edinburgh,—are now recognised as being of honours degree standard. That such awards are becoming increasingly attractive to students and acceptable to industry is shown by the striking expansion in the last few years in the numbers completing the appropriate courses at the two colleges. Thus at the Royal Technical College, the number of associateship awards rose from 97 in 1950-51 to 160 in 1954-55 (a number of the same students taking the University degree as well). At the Heriot-Watt College between the same years the number of associateship awards rose from 49 to 65.

117. In addition, under affiliation arrangements with their respective Universities, these two Colleges provide a number of courses leading to the B.Sc. degree of the universities. At Aberdeen, Robert Gordon's College have long had a scheme of co-operation with the University for joint teaching of degree and diploma students in engineering. This has recently been revised to obtain still closer co-operation in future. The other central institutions

* These are:—Aberdeen, Robert Gordon's Technical College; Dundee, Institute of Art and Technology; Edinburgh, Heriot-Watt College; Galashiels, The Scottish Woollen Technical College; Glasgow, The Royal Technical College; Leith Nautical Technical College; Paisley Technical College.
provide courses for external degrees of London University as well as for their own awards and for Higher National Diplomas. A considerable amount of research, much of it for industrial concerns, is carried out at the various central institutions, and post-graduate awards are available at some of them.

118. One of these central institutions—the Royal Technical College—is generally recognised as having pioneered the sandwich course whereby students spend one part of the year in study at the College and the remainder in practical work in industry. This method of training can be traced to the diploma courses at the College as far back as the 1880's and has been maintained there ever since. The same practice has been followed for the engineering degree courses of Glasgow University, both at the University itself and at the College, and is regarded as of the highest value as a method of study in the technological field. In more recent years it has been successfully introduced in certain courses at the Heriot-Watt College, Edinburgh, and at Paisley Technical College.

119. A later development in the associateship courses which has been of some importance and which may be of even greater significance in future is the acceptance into the penultimate year of men who have gained their Higher National Certificates. In this way, these men, by the addition of two years’ full-time study to their five or more years’ part-time study, can carry their advanced studies to a level comparable with the highest available anywhere in this country, and secure a qualification recognised as equivalent to an honours degree. Students recruited by this means are regarded as of the finest quality obtainable anywhere, and they represent one of the few hitherto untapped pools of real talent from which any substantial additional numbers of technologists of first-class calibre can be drawn.

Part-time Courses

120. Alongside their full-time courses, the central institutions provide a wide range of part-time courses. At first these were evening only, but later part-time day classes were added. These courses range from those at Higher National Certificate level to pre-National Certificate courses for boys who have just left school, courses for certificates of the City and Guilds of London Institute or courses of a purely practical nature for young apprentices. Although, as described below, some of these courses are being gradually transferred to local centres run by education authorities, the following figures show the large numbers of part-time students still attending the seven central institutions concerned.

<table>
<thead>
<tr>
<th>Year</th>
<th>Day</th>
<th>Evening</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946</td>
<td></td>
<td></td>
<td>1,238</td>
</tr>
<tr>
<td>1954</td>
<td>4,422</td>
<td>10,349</td>
<td>14,771</td>
</tr>
</tbody>
</table>

LOCAL CENTRES

121. Alongside the growth of the central institutions in the first decades of the present century, education authorities greatly developed the provision of evening classes at the more elementary stages of technical subjects, and the “night school” became a traditional feature of the training of the young Scottish worker. But these classes could be accommodated only in school premises, and, in the absence of special equipment, had to be confined within a relatively narrow range. As a result of this factor and the very success of the central institutions in discharging their all-embracing task there was, up to the last war, a tendency in Scotland—which is still all too prevalent—to look to the central institutions for the provision of all types of technical education outside the normal evening classes.
Local Technical Colleges

122. But the increasing range and complexity of scientific and technological knowledge and the steady growth in demand for technical education, both day and evening, made it impracticable and undesirable that the central institutions should continue to cover the entire range of technical education in Scotland. In certain areas, therefore, education authorities even before the last war, began to develop, in addition to their evening class provision, centres for technical education or local technical colleges as they are now called. By this means the central institutions could be relieved of the more elementary stages of their work and left free to develop the more advanced courses and studies and to increase the numbers of the students in them.

123. Some 50 local technical colleges and other day institutes providing pre-vocational or other full-time courses and part-time day-release courses thus came to be established. A few were built specially for the purpose before the war, but the main expansion has taken place since 1940. As a consequence of war-time and post-war restrictions, most of these centres have had to be housed in adapted or improvised accommodation—converted factories and redundant school premises predominating—or have had to share premises with schools. The consequence has been that, in the absence of premises built specially for the purpose, the courses provided in many of the centres have been confined within too narrow a range. The makeshift nature of the accommodation has also tended to depress the demand and interest of employers and prospective students alike. Apart from the enthusiasts among them, they have been tempted to regard technical education as like the premises in which it is given—something second rate in some obscure by-way—and not of the same importance as what goes on in a secondary school, a factory or an office with modern, up-to-date premises.

124. But that opinion is belied by the quality of the work done in these centres and the record of their achievements in various examinations. They complement what is done in the central institutions by providing courses for Ordinary National Certificates—in some cases even Higher National Certificates—the certificates of the City and Guilds of London Institute, and courses of a practical craft and workshop nature. In addition they provide full-time pre-apprenticeship or pre-vocational courses to prepare boys and girls leaving school at fifteen for the trade they wish to enter. In these courses, which generally last one year, the time is divided equally between subjects of general education and the fundamentals of technical subjects on the one hand and practical work on the other. They cover a wide variety of occupations—principally building, engineering, commercial subjects and nursing.

125. The latest feature of technical education—the day-release class whereby the young worker spends one day of his working week receiving instruction and training in the fundamentals of technical work at an educational establishment, while during the other four or five he is learning practical work in the factory—has been developed in the local technical colleges as well as in the central institutions. Although the increase in the figures from 600 in 1939, to 5,000 in 1946, 20,000 in 1951, and 25,500 in 1954-1955 represents substantial progress, development has not been as rapid or as far reaching as it ought to have been or as it has been in England where 355,000 young people were released from their employment in 1954-1955. It is significant also that of the 1954-1955 Scottish total, just over 15,000 were between the ages of fifteen and eighteen, or only 9 per cent. of the total
numbers in these age groups. The development is also uneven as between different industries as appears from the following table:—

**TABLE V**

**EDUCATIONAL YEAR 1953-54**

**STUDENTS “RELEASED” FROM INDUSTRY—SCOTLAND**

Boys and girls aged under 18 years released by their employers to attend courses for part-time education shown as a percentage of the estimated number aged under 18 years who are insured under the National Insurance Acts.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Estimated numbers employed at end of May*</th>
<th>Numbers released by employers during year</th>
<th>Numbers released as per cent. of numbers insured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and Quarrying</td>
<td>6,210</td>
<td>2,992</td>
<td>48</td>
</tr>
<tr>
<td>Public Administration and Local Authority services</td>
<td>2,890</td>
<td>1,389</td>
<td>48</td>
</tr>
<tr>
<td>Chemicals and allied trades</td>
<td>1,840</td>
<td>702</td>
<td>38</td>
</tr>
<tr>
<td>Building and Contracting</td>
<td>13,030</td>
<td>2,663</td>
<td>20</td>
</tr>
<tr>
<td>Engineering, Metal Manufacture, Metal Goods and Vehicles</td>
<td>28,940</td>
<td>4,572</td>
<td>16</td>
</tr>
<tr>
<td>Other Manufacturing Industries (including Leather, Wood and Cork, Precision Instruments, Treatment of Non-Metalliferous Mining Products)</td>
<td>7,580</td>
<td>795</td>
<td>10</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>10,360</td>
<td>389</td>
<td>4</td>
</tr>
<tr>
<td>Paper and Printing</td>
<td>6,300</td>
<td>203</td>
<td>3</td>
</tr>
<tr>
<td>Distributive Trades</td>
<td>38,550</td>
<td>1,055</td>
<td>3</td>
</tr>
<tr>
<td>Textiles and Clothing</td>
<td>23,840</td>
<td>430</td>
<td>2</td>
</tr>
<tr>
<td>Food, Drink and Tobacco</td>
<td>11,140</td>
<td>25</td>
<td>1</td>
</tr>
<tr>
<td>Transport</td>
<td>6,580</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Insurance, Banking and Finance and Professional services</td>
<td>9,100</td>
<td>56</td>
<td>1</td>
</tr>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>9,640</td>
<td>2</td>
<td>—</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>176,000</strong></td>
<td><strong>15,326</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

* Figures supplied by Ministry of Labour and National Service.

**Bursary Assistance**

126. Students wishing to take advantage of any of the facilities described above may obtain assistance from public funds through education authorities, who award bursaries in accordance with Regulations made by the Secretary or State for practically all forms of further education. These awards include not only those tenable at university, central institution, teachers’ training college of further education centre, but also pre-vocational bursaries (awarded for pre-apprenticeship courses and courses of a similar type) and apprentices’ bursaries (awarded for courses undertaken during periods of release from employment). In addition, bursaries for the payment of fees, for subsistence if necessary, and for books and instruments may be awarded to evening class students.

127. Education authorities will generally grant a bursary to any persons resident in their area who is qualified for admission to the course he desires to follow. In session 1954–1955, authorities made further education awards including 13,779 whole-time and 1,446 part-time bursaries. Of the whole-time awards, 5,111 were tenable in all faculties at universities, 2,786 in central institutions, and 2,833 in pre-apprenticeship courses; while of the part-time awards, 1,183 were tenable at central institutions and further education centres.
Aid from Industry

128. Parallel with the financial aid available from bursary funds and of no less importance is that given by employers. In the case of evening classes, most employers pay class fees, and in the case of day-release classes they pay wages and fees. A few employers who send selected students to sandwich or other full-time courses at an advanced level are willing to continue to pay wages and to meet tuition expenses. The Government regard all such assistance as valuable both to the student and to his firm and they hope that many more firms will be encouraged to offer it in view of the national need for more and better trained technologists and technicians.

REGIONAL CO-OPERATION

129. In the development of technical education in the West of Scotland as the main centre of industry and population it was early found desirable that there should be some means of liaison between local centres and central institutions and the courses they provide. The first step to secure this co-ordination was taken over 50 years ago when a Joint Committee for Technical Education was set up. It includes both educationists and industrialists and by devising schemes of work for various technical courses and by other co-ordinating arrangements the Committee has done much to ensure uniform standards throughout all the centres within its ambit. It has thus stimulated the expansion and has raised the standard of technical education in the West of Scotland by linking centres of varied types and status with the central institutions. The success of this machinery has led to the establishment in the south-eastern and north-eastern regions of Scotland of similar Committees who have begun to work on the same lines as those followed in the West of Scotland.

130. Another more recent step towards securing a closer welding of technical education was the establishment in 1948 by statutory order under the Education (Scotland) Acts, of five Regional Advisory Councils for Technical Education covering between them the whole of Scotland. These are designed to extend and facilitate the co-operation of education and industry in the development of technical education. These interests have already co-operated on the governing bodies of central institutions, and many education authorities have local advisory committees for different trades to advise them on particular courses. But the purpose of the new Regional Council is to bring together representatives of education and of both sides of industry in the respective regions so that they may jointly advise education authorities and other managers of educational establishments on the development of technical education in the region. By this means technical education secures the full and practical support of industry, and education authorities and central institutions obtain authoritative advice from a regional body to assist them in considering the provision of new facilities. Representatives of the five Councils meet annually to discuss important matters requiring consideration from a national point of view.

SURVEY OF PROGRESS

131. How has this structure of technical education served Scotland in the past? Scotland's pride in the academic traditions of her educational system may have tended to overshadow her achievements in technical education. But these achievements have contributed in no small measure to the renown of her engineering skill throughout the world in the past half century. The foundations of these successes have lain just as much in her technical colleges and evening schools as in the shipyards and factories. That these and similar
further education establishments have hitherto proved capable of expanding to meet the increasing demands made upon them is shown by the following table of the number of further education students between 1938 and 1954:

**TABLE VI**

NUMBER OF STUDENTS IN FURTHER EDUCATION—SCOTLAND

<table>
<thead>
<tr>
<th></th>
<th>1937-38</th>
<th>1946-47</th>
<th>1954-55</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>5</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Part-time day</td>
<td>3</td>
<td>9</td>
<td>25</td>
</tr>
<tr>
<td>Evening only</td>
<td>174</td>
<td>180</td>
<td>206</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>182</strong></td>
<td><strong>198</strong></td>
<td><strong>241</strong></td>
</tr>
</tbody>
</table>

132. But these establishments are only part of the wider system of higher education in Scotland. Table VII below illustrates the proportions of the various age-groups following the different forms of post-school education:

**TABLE VII**

Estimated number of persons in Scotland between fifteen and twenty receiving different forms of education expressed as a percentage of each age group in 1953–54*

<table>
<thead>
<tr>
<th>Age</th>
<th>Schools</th>
<th>Universities</th>
<th>Teacher Training Colleges</th>
<th>Central Institutions and Further Education Centres†</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Full-time</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Part-time</td>
<td></td>
</tr>
<tr>
<td>BOYS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>—</td>
<td>5.5</td>
<td>0.1</td>
<td>1.1</td>
<td>18.7</td>
</tr>
<tr>
<td>19</td>
<td>—</td>
<td>4.3</td>
<td>0.1</td>
<td>1.0</td>
<td>26.2</td>
</tr>
<tr>
<td>18</td>
<td>1.2</td>
<td>2.9</td>
<td>0.1</td>
<td>0.8</td>
<td>33.5</td>
</tr>
<tr>
<td>17</td>
<td>8.1</td>
<td>1.3</td>
<td>—</td>
<td>1.3</td>
<td>39.9</td>
</tr>
<tr>
<td>16</td>
<td>13.0</td>
<td>—</td>
<td>—</td>
<td>3.1</td>
<td>30.8</td>
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* School figures are for January, 1955. The percentages relate to the estimated population December, 1954. Percentages other than (1) are related to the estimated population December, 1953.

† These statistics refer only to students who took a progressive course of study in one or more subjects.

133. When the large contribution of the Scottish universities to the production of technologists is included the technological departments of these universities and the courses at the Royal Technical College contain no less than one-fifth of the full-time students following graduating courses in technology in the whole of the United Kingdom. At other levels, the numbers of enrolments in evening courses of a technical kind is (at 54,000) greater than at any other time in the history of technical education.

134. Nor is the success of the system to be measured only in figures. Whatever virtues it may lack, it possesses one of the most precious virtues in any educational system—flexibility. It can be entered by many doors, and at many stages; and young people can work their way through it as far as their ability will allow.
135. But if there is much in the development of our system of technical education that is creditable, there is no ground for complacency. The foundations appear to be sound and well able to carry the extensions and adaptations which we must make in our structure to enable it to meet the still greater demands it will have to face in this new scientific and technological age. As has been indicated, the main strength of Scotland’s system of technical education has lain in its more traditional features—the comparatively high proportion of students embarking on under-graduate and similar full-time courses, and the maintenance of evening class numbers. In the newer developments in technical education—the pre-apprenticeship classes and the day-release class—her record is less satisfactory. While therefore we must develop to the utmost those aspects in which we are strong, we must also become strong where we are at present weak. Much will require to be done by all concerned with technical education—the Government, education authorities, both sides of industry, parents and young people—if it is to meet the needs of the new age for an ever wider variety of courses and the training of ever increasing numbers of students at all levels.

PLANS FOR THE FUTURE

136. On its side the Government is determined to ensure that the facilities are provided which will permit of a substantial increase in the numbers of trained people required by industry, whether at the level of the technologist, the technician or the craftsman. This will entail developments at Scottish universities, central institutions and local technical colleges. To make possible the advance at the central institutions and local technical colleges, to which university expansion will be additional, it is the Government’s aim to have a building programme of a capital value approaching £10 (m) started within five years.

UNIVERSITIES AND CENTRAL INSTITUTIONS

137. The universities and central institutions are the sources of supply of technologists for the most advanced forms of work. The Government’s plans for the development of higher technological education at university level throughout the United Kingdom are referred to elsewhere in this Paper. In these, Scotland plays a prominent part. In Glasgow, the University and the Royal Technical College in association form one of the main centres specially selected for major development and extension. Great developments have already been launched there. At the University, a building programme of £2 (m) has been completed since the war, the great part of it for scientific and technological work. A further major building project for a modern engineering building costing over £1 (m) has been begun. At the Royal Technical College a large extension providing accommodation for the mechanical, civil, chemical and mining engineering departments is nearing completion at a cost of about £1 (m). A further extension costing about £½ (m) has just been begun, and land has been acquired for still further building. A residential centre for management studies—the first of its kind to be opened in the United Kingdom as part of educational institution—was recently established and is to be further extended. In Edinburgh, the Heriot-Watt College is pressing ahead with developments on a smaller scale but of equal importance. In conjunction with the University, a department in the important subject of chemical engineering has been established, and a building extension costing nearly £½ (m) is in progress, with other smaller extensions in prospect.
138. At all the central institutions, despite steady extension of buildings over many years, over-crowding persists and many buildings are ill-designed and unsuited to the requirements of modern technological studies. Substantial improvements have been made in recent years. Further projects have been approved. Others are being prepared for approval. Tribute is due to the maintenance by the Scottish industry of its traditional support of the provision of the advanced levels of technical education. Large sums of money have been contributed or have been promised for the new buildings and equipment at various central institutions. To these contributions are added capital grants from the Education (Scotland) Fund to cover the cost of the developments.

139. With regard to revenue, special grant arrangements have been made so that the Secretary of State may make such payments as he thinks fit beyond the normal 60 per cent. grant to enable the colleges to meet the heavy cost of maintaining first-class facilities.

140. Coupled with this building development, attention is constantly devoted to the development of new facilities and courses at all the central institutions. The diploma and associateship courses are under review to ensure that they keep pace with the needs of modern industry, and in this review the possibility of extending the use of sandwich courses occupies a prominent place. In addition, the Regional Advisory Councils have been asked to consider the general problem of the extent to which that type of course might be usefully extended to other levels of training.

**LOCAL TECHNICAL COLLEGES**

Transfer of courses

141. The great need in Scotland is, however, for better provision for the technical education appropriate to the local technical colleges run by education authorities. Emphasis has been laid on the need for relieving the central institutions of the more elementary courses to allow them to extend the number of places available there for more advanced work and to re-arrange their curricula to provide a still greater variety of courses. For reasons already indicated, the process of transfer from the central institutions to these local colleges has been slow. Only in Glasgow has striking progress been possible. There the Royal Technical College has divested itself almost entirely of work of sub-university standard. Elsewhere much still requires to be done before the central institutions will be able to devote themselves solely to the more advanced level of training.

142. Education authorities must therefore expand their facilities substantially in order to train in large numbers the technicians on whom industry is going to rely more and more in the future if full advantage is to be taken of the ideas of our scientists and technologists. In the new provision which education authorities will have to make, pre-apprenticeship and day-release courses must play an increasing part.

Pre-apprenticeship and day-release courses

143. Alongside the effort thus required from education authorities, both employers and trade unions in industry will have to keep in mind that pre-apprenticeship and day-release courses are modern forms of technical education which experience in other countries suggests are pre-requisites of success in the modern science-based industries. The development of pre-apprenticeship courses would be stimulated if substantial remission of the apprenticeship period could be given for time spent in taking the classes—
here the trade unions have great responsibilities—and if employers would give due weight when engaging apprentices to the value of this sound training in the fundamentals of their trade. Part-time day education, as compared with evening classes, is to be preferred both educationally in the short term and from the point of view of industrial efficiency in the long term. To the present figures for day-release in Scotland already quoted, at least a further 15,000 students will be needed if Scotland is to attain proportionately the same number of day-release students as there is already in England, and more if she is to keep in step with expansion there. Factors of geography, population and industrial structure account in part for the disparity which has hitherto existed between the two countries. But the essential factor is the full co-operation of all concerned—education authorities in providing facilities and both sides of industry, especially the employers, in releasing boys and encouraging their interest. Every effort will be made to foster this co-operation through the Regional Advisory Councils and otherwise. As part of the plans to stimulate technical education, these Councils have just been reconstituted, with both the industrial and educational elements strengthened.

**Provision of Craft Courses**

144. One need which must receive attention at this level of technical education is to devise courses with a high practical content suitable for boys who are not fitted for much theoretical work. In the present courses, such as those leading to the Ordinary National Certificate or the City and Guilds examinations, in which a substantial element of theory is included, the high degree of wastage is disturbing. Large numbers of students who embark on the courses are sooner or later found to be ill equipped to obtain full benefit from them. Hitherto, alternative practical courses designed to improve their attainments as craftsmen have not been often available. The development of this type of course is, therefore, being encouraged. Not only will this result in the reduction of wastage in the theoretical courses, but in a marked improvement in the standards of craftsmanship in industry.

**Buildings and Teachers**

145. This expansion of the responsibilities of education authorities in the field of technical education will require a major building effort by the authorities to make good the slow progress in providing such facilities in the past. A start has already been made by one education authority with the building of the first entirely new local technical college to be provided in Scotland since the war. Ten others, mainly in the industrial areas, have had projects approved or have them at various stages of preparation.

146. A major increase in recruitment of teachers will also be required as facilities expand, mainly to man the new local technical colleges. There are 1,150 full-time and 6,100 part-time teachers in central institutions and technical colleges and these numbers will have to be substantially increased when the new colleges are working to capacity. The teaching staffs are recruited from two sources. One is the teaching profession. The new scales of salary for full-time teachers of further education in Scotland, which took account of the special needs and conditions in further education, are already proving a successful stimulus to recruitment to this work. The transfer of teachers to the technical colleges from the schools may further be eased to some extent when the “bulge” has passed out of the schools. Industry has proved an equally valuable source of recruitment of both full-time and part-time teachers. It is hoped that industry will, in view of the great need for and advantages of expansion of technical education, be willing
to release many more staff qualified to teach and that more and more of those who undertake part-time teaching will, as the need increases, be encouraged to become full-time teachers.

147. Much is already done by part-time or short vacation courses to equip teachers in further education, whether recruited from the profession or from industry, for the special requirements of that work. Considerable development of this form of training will be necessary as more teachers are recruited from industry. For those entering teaching direct from university or college, the establishment of new training courses specially designed to fit them to engage in further education will be considered as part of the forthcoming review of teacher training in Scotland.

FURTHER EDUCATION FOR GIRLS

148. As in England, the further education of girls raises special problems. Too often further education—particularly part-time—is regarded as important only for boys. But it is desirable not only in the interests of the girls themselves but in the national interest that they should have equal opportunities with boys, and should take every advantage of these opportunities, to carry their education and training to as advanced a standard as possible. On the vocational side, they will thus be better equipped to do their particular job more efficiently in the days when they are in employment. On the personal side, they will have a better general education which will enable them to lead a full life in their leisure from employment and make them all the more fitted to carry out at a later stage that most important function of all, which the great majority of them will be called upon to undertake—the foundation of a home and a family.

149. The need for developing further education for girls is shown by the fact that only one girl in five takes any form of further education at all even at the age when such education is generally most popular. At the pre-vocational stage, demand is concentrated on courses for nursing, homecraft, and secretarial subjects. Demand among girls for day-release courses is limited very largely to commercial and general subjects, distributive trades, clothing and textiles, hairdressing and nursing.

150. Much therefore remains to be done to stimulate among girls a greater demand for further education generally, even to bring the numbers up to what they should be in courses linked with what are traditionally regarded as girls' careers. But an even greater problem confronts us in tapping the resources of talent and labour available among girls in order to swell the numbers of trained personnel needed for the more strictly technical occupations. There is no doubt that at present much talent is lost to industry at both advanced and craft levels because the resources of technical and scientific ability among girls are not drawn on as they might be. It is true that some of the courses already taken by girls such as those concerned with textiles and nursing, have a considerable technical or science content. At the level of technology, only a few girls take engineering subjects, but numbers of girls take science subjects. In 1954 more than 15 per cent. of the students gaining their National Certificates in chemistry and applied physics were girls. In pharmacy, too, 40 per cent. of those who took their qualifications in 1954 were girls.

151. But we must do much more than this if we are to succeed in the drive to train the technicians and technologists we need. A new outlook among parents and in schools on the careers which are open to girls is required, so that those with a practical or scientific bent can be encouraged to grasp the opportunities open to girls as well as to boys. Education
authorities and the governors of central institutions might well consider what they should do to encourage a greater demand for technical training among girls; they might establish special courses for girls in particular industries and set aside special classes in technical colleges for girls only. More employers, particularly in the new light industries, might consider recruiting girl technicians and training them on the job. Those who already do so have found the girls more nimble with their hands at particular kinds of work and no less quick to pick up technical processes. In these ways and by the exercise of foresight and imagination on the part of parents, industry and education, much can be done to provide worthwhile careers for women while assisting in the recruitment of trained people for industry.

**PROGRAMME OF CAPITAL EXPENDITURE**

152. All the developments on the foregoing lines at both Central Institutions and Technical Colleges involve a large-scale programme of capital expenditure. It will be a major aim of Government policy over the next five years to ensure that the necessary resources are available. The Government are ready to authorise a programme of buildings for technical education to be started within the next five years to the value of £10 million, with a further £2 million for the necessary equipment. How far this programme can be realised will depend largely on how soon education authorities can expedite their local technical college projects. The Government look to the authorities to bring forward as quickly as possible all such projects which they have had in mind for the future. For these projects alone £6 million of the £10 million will be required. The Government will look to the authorities further to start within the period such additional projects as may prove to be within their compass and in this way to make full use of the total resources available.

153. The Secretary of State intends forthwith to discuss with the authorities concerned how progress can best be made on the projects already under consideration and how soon further projects can be undertaken.

**CHAPTER V**

**CONCLUSION**

154. Success is carrying out the plans set out in this Paper depends on attracting many more students and placing them in the right courses, and on their own willingness to work hard and go through with their studies. All these are human problems, closely related to the student's background.

155. Many enquiries in secondary schools have shown that again and again a good home accounts for the widely different rates of progress made by children between whom there was nothing to choose at the age of eleven. Parents easily over-estimate what formal education can do for their children and under-estimate their own influence, be it for good or evil. As soon as education becomes voluntary, as it does at the age of fifteen, there is a crucial decision to be taken. Sometimes it is the boy or girl who takes it, but more often than not what the family and the neighbours think about continuing to study determines the decision. If mother and father cannot see the advantage of further education, it is a brave child who goes against their wishes.

156. Every effort must be made, therefore, to win the support of parents for further education. The schools and technical colleges are fully alive to this need, and through personal contacts and parents' associations steady
progress is being made. The campaign by our leading firms, in the national press and by visits and conferences, to illustrate the careers open to boys and girls has done much to stir up interest in the schools in the future of British industry.

157. The good firm is the ally of the good home, and if a boy comes from a home hostile to further education, his firm is his lifeline. Both sides of industry, speaking through their official representatives, fully recognise this responsibility. Managers and trade union leaders who sit on many bodies concerned with education have been insistent that the Government should expand technical education. In accepting this advice the Government now look to the individual employer and trade union leader to give all the practical help they can to make the new plans a success. The more representatives of industry get to know the colleges, the better. They are already helping the colleges in many ways: by acting as members of regional bodies and governing bodies of colleges and as part-time teachers. They can be of particular service by taking an interest in the working out of new courses and the drawing up of building programmes. It is greatly to be hoped that more and more of the leading men and women on both sides of industry will give some of their time to the problems of further education. They can be sure that their interest and example will always have a most stimulating effect upon the colleges.

158. In the end it is the attitude of individual firms to further education which will count most. The Government hope all employers will consider every young worker as someone who still has to find his or her feet in the world and for whose education and character the employer bears a responsibility second only to that of parents. Many private firms and the nationalised industries, in spite of the present shortage of labour, go out of their way to encourage their young workers to improve their qualifications. Some large firms have established works schools in which vocational and general education is given to apprentices from whom the most able are chosen for advanced courses at a university or technical college. Others rely for technical education wholly on the colleges and among these are the strongest advocates for the expansion of the facilities available today. Small firms find greater difficulty in providing opportunities for young people owing partly to the restricted scope of their work, and partly to the problem of releasing apprentices when the total number in a shop is small. The spread of group apprenticeship schemes designed for small firms will go some way towards overcoming these difficulties. It is likely to increase the number of apprentices and correspondingly increase the requirements for part-time day facilities in technical colleges.

159. Finally, there is the general public. How are we to get their full support for our plans which must cost a great deal of money? The old idea that advanced education is good only for a small selection of the people is dead. The management of full employment, with its much greater need for a responsible attitude to work and its challenge to greater output per man as the only way further to raise living standards, has brought a sense of our dependence on education as the key to advance. Everyone can now see the value of giving all children, wherever they come from and whatever their financial circumstances, the best possible chance to develop their own talents and contribute to the national well-being. Technical education must be brought within the reach of all in this country and offered generously to those from overseas. The Government are confident that this task will be undertaken willingly by the nation.
APPENDIX A


In this appendix are set out some of the available figures and facts about the output of technical manpower in certain foreign countries. Comparisons between countries in this field are hard to make, and are necessarily unreliable for several reasons. Firstly, it is difficult to be sure of the facts. Secondly, systems of education, and of employment of technical manpower, vary very greatly between different countries; this makes it almost impossible to equate with any certainty the standards of attainment represented by the different degrees, diplomas, certificates, etc. Thirdly, even the meaning of the different categories—technologists, technicians and craftsmen (defined for the purposes of this White Paper on page 1)—varies from country to country. Moreover, a comparison of the position at one point in time is misleading unless regard is also had to the trends over a period.

2. Even within this country there is such a wide range of technical qualifications that there is ample room for argument about which qualification should be included in which category. Moreover, many craftsmen and some technicians are trained solely on the job and do not figure in any statistical returns. The difficulty of making comparisons is less severe in the case of the highest category—broadly speaking, technologists. This appendix is therefore concerned mainly with them. Though they constitute a relatively small proportion of a country's technical manpower, their numbers give quite a good indication of the scale of its efforts in technical education.

Great Britain

3. As indicated in paragraphs 50 and 56 of the White Paper, this country, with a population of close on 50 million, produced in 1954:

2,800 University graduates in the engineering and other applied sciences (or holders of diplomas awarded at universities) 57 per million of the population. Some 2,300 of these students obtained their qualifications by three or four years' full time study at universities—the rest by full time or part time study at technical colleges.

8,100 holders of Higher National Certificates (or broadly equivalent qualifications)—164 per million of the population. These qualifications were obtained largely by part time study at technical colleges. Their holders range from those, possibly rather less than one half, who eventually become members of Professional Institutions to others who should be classed as high grade technicians.

4. No comparable figures are available for those with lower qualifications. Their numbers have undoubtedly increased substantially since 1945, but not enough to keep pace with the demand.

U.S.A.

5. In the U.S.A., with a population of 162 million, there are a large number of institutions of university status which train engineers. There were produced from them, in 1954, a total of:

22,000 engineering graduates—134 per million of the population. This was less than half the output of 50,000 in 1950, when the age groups were larger and the total was swollen by ex-servicemen. The Americans estimate that the number will rise to 43,000 by 1964, following the bulge in the post-war birth rate.

6. The university courses leading to a bachelor's degree in engineering in the U.S.A. usually last four years, but generally start from a lower standard than that of the normal entry to our universities. The standard of the U.S. Colleges, and of the engineering graduates produced from them, varies greatly. Many American bachelor degrees are, in technical subjects, little if any higher than the standard of the High National Certificate, but a considerable number of American graduates proceed to higher degrees.
7. Technicians in the United States come from three sources: holders of bachelor degrees, students who spend one or two years at a university without attempting a degree, technicians trained by a number of "technical institutes" and others trained on the job. Figures of the total output of technicians are not available, but it is authoritatively stated to be inadequate to supply the "three to five engineering aides" who are considered necessary to support every professional engineer.

8. The American authorities are known to be disturbed about the present output of both technologists and technicians and are understood to be anxious to expand it considerably. They are however faced with a very serious shortage of science teachers in the schools.

**U.S.S.R.**

9. The following information is taken from "Soviet Professional Manpower", a study published in 1955 by Mr. Nicholas de Witt of Harvard University. He says that the figures quoted are mostly estimates, compiled from a variety of sources, but carefully cross-checked; they have been accepted by the United States National Science Foundation.

10. With a population of 214 million, the U.S.S.R. claim to be producing per annum:

   - 60,000 "professional engineers"—280 per million of the population. These qualify after courses of 5½ years at "specialist institutes", where the standard is said to be high.
   - 70,000 engineers—326 per million of the population, at the "Technicums". These provide a four year course for students about half of whom have already had ten years schooling. The other half enter the "Technicum" at the age of fourteen, after only 7 years at school. The official aim is to limit the entry to "Technicums" to boys and girls who have had ten years at school.

11. The Russians are clearly determined to produce the maximum number of scientists and technologists, and have announced a target of a 50 per cent, increase in the number of professional engineers. The general conclusion of a number of observers from this country who have visited Russia recently, as well as that of Mr. de Witt, is that the standard of Russian scientific and technological education is high. The numbers of engineers turned out are well ahead of any other country, both in absolute figures and per head of population. This is achieved in part by what some American observers described as a ruthless sacrifice of the arts—though the schooling of scientists and technologists is by no means narrow. Both in salaries and in other privileges, the careers of scientists and technologists are made very attractive. Moreover, there is far larger use of woman-power in Russia than in any other country; for example, about three-quarters of the medical doctors, and one quarter of the engineers, are women.

**Western Europe**

12. In Western Europe (except in Italy) the majority of professional engineers are trained in specialised technical institutes of university status such as the well-known "Grandes Ecoles" of France and the "Technische Hochschulen" in Germany, Holland and Switzerland. The entrance requirements for these institutes are generally high, though broadly based, and the length of the course is usually four to five years and sometimes longer. The graduates from such institutes will thus in general have received more advanced technological training than is possible in the three year university course in Britain.

13. In addition, many countries have technical schools of a slightly lower status, such as the Dutch "Middelbare Technische Scholen" and the German "Fachschulen". Unfortunately no comprehensive figures are available of the numbers trained in such schools, but the standard reached is thought to correspond very roughly with our Higher National Certificate. The Colleges are mainly full-time, and the course lasts some three years.
14. Figures for the output in 1953 of technologists (and also of pure scientists) in Western European countries (other than Western Germany), have been obtained through a questionnaire issued by the Organisation for European Economic Co-operation, and the results have recently been published. The figures give a total output for France, Italy, Western Germany (estimated), Switzerland, Scandinavia and the Low Countries in 1953 of:

12,054 graduates in technology—largely educated at the specialised technical institutions mentioned above. This figure is equivalent to 67 per million of the population, the figures for France, Western Germany, Switzerland and Italy being respectively: 70, 86, 82 and 39. These figures exclude students trained in technical colleges or engineering schools.

15. By way of contrast, the O.E.E.C. returns show that theses countries produce, proportionately to the population, less than half the graduates in pure science produced in Great Britain (many of whom go into industry). The figure for Western Europe as a whole is 48 per million of the population, compared with our figure of 105; the Russian figure is 56. The relative importance which these countries attach to engineering is in itself instructive, and the standards achieved by the specialist institutes of technology in which most of these continental engineers are educated, set examples of quality which cannot be ignored.

APPENDIX B

NATIONAL ADVISORY COUNCIL ON EDUCATION FOR INDUSTRY AND COMMERCE

REPORT ON SANDWICH TRAINING AND EDUCATION

1. The National Advisory Council have had under consideration for some time past the sandwich system of education and industrial training in which substantial full-time periods are given alternately to education and to training in industry, and the question of securing a greater degree of interest and cooperation by industry in the development of such courses as a step towards remedying the deficiency of technologists trained to professional level. Regional Advisory Councils have been consulted and discussions have been held with representatives of industry and everywhere the Council finds support for its view that all necessary steps should be taken for the development of sandwich courses and particularly of those leading to a high standard of professional training.

2. Sandwich courses are already in being at a number of technical colleges and these range from courses covering a period of 2 years leading to the Ordinary National Diploma to courses covering 4 to 5 years leading to the Higher National Diploma and College Associateships. Increasing interest has been shown in this kind of provision during the past twelve months and this stirring of interest is no doubt due to the discussions taking place both regionally and centrally which have resulted in a wider, though still limited, knowledge of the sandwich system and the opportunities it offers.

3. The National Advisory Council support the sandwich system of organisation of courses at all appropriate levels. They are, however, most strongly impressed with the opportunity which the system offers of developing schemes for training to professional level school leavers and other young people with ability to become professional engineers and technologists capable of filling responsible posts in industry. In view of the urgent need to increase the supply of engineers and technologists of this calibre there can be little room for doubt about the value of a system which provides another and complementary method of training to that whereby a young man undertakes a university course together with two years' apprenticeship in industry, and which is particularly suited to those who wish to enter industry direct from school and who would benefit from studies being closely related to industrial experience.
4. The Council have considered carefully the principles that need to be followed in the development of professional type sandwich courses in technical colleges and they offer the following observations and recommendations for the Minister’s attention.

5. The professional type of sandwich course should normally cover a period of 4 to 5 years for selected students and should be of such a standard that it may be expected to satisfy the requirement for the new technological award to be administered by the Council over which Lord Hives presides. Students may now look to this new award for recognition of the successful completion of high standard courses such as these and industry will have a measure of the quality of training and the level of ability of young people who attain this qualification.

6. While maintaining this standard, the content of the courses can be varied to meet particular technological and industrial needs and it is an essential feature of sandwich training that there must be close co-operation between the college and the industrial organisation concerned in the formulation and design of the course and the plans for linking college education and industrial training in the most effective way. In general, however, the emphasis should be on training people to think and developing a critical mind. This can probably best be achieved by stressing fundamental science and study in the art of communication. One aim of the courses should be to produce an awareness of the importance of human relations and of management techniques. In view of the importance of developing cost consciousness, some attention should also be given to the principles of economics. Opportunity for the students to live together as a community is most desirable.

7. The staffing of courses of this kind will of course, present new problems, for the colleges will not only need full-time staff of high quality but other specialist lecturers to provide part-time services during the day-time. It is essential, therefore, for industry to co-operate fully with the colleges in providing such specialists.

8. There is evidence that periods of 5 months in the college and 7 months in the works or of about six months in each will normally be the most effective and convenient arrangements, but where these arrangements are found to present difficulties other periods can be adopted having regard to the needs of the particular industry and the need to even the load both in the college and in the works.

9. It is important that the college should maintain contact with the students during their works periods. Such contact might take the form of tutorial classes or guided studies.

10. The selection of students for this type of course needs particular care and the firm and the college should collaborate in selecting those entrants with the aptitude, ability and personal qualities necessary both for undertaking the training and proceeding to posts of responsibility. The several sources of recruits seem to be

(a) young people leaving school at 18 with two appropriate advanced level passes in the General Certificate of Education;

(b) selected employees who have obtained a good Ordinary National Certificate, and

(c) young people with appropriate passes at ordinary level in the General Certificate of Education who have been given a suitable preliminary or introductory course.

11. With large firms the groups may be big enough in each case to justify special provision and there should be no difficulty in securing satisfactory training during the works periods. In the case of medium sized firms there will be a nucleus of students available to enable students from smaller firms to complete a class. It may be desirable, however, for the college to arrange with a larger firm for some of the training facilities for those attending from the smaller firms.

There may be a need to organise college based courses for students entering upon training before taking up employment in industry. These may either join up with works based students during the college periods or, if they are sufficient
in number, form groups of their own. In either case it is hoped that firms will co-operate in assisting the college to provide satisfactory training facilities during the works periods; and furthermore, that when the employers have had the opportunity of seeing the college based students during the first period in the works they may then be prepared to sponsor them as works based students. The main consideration is that industrial training should be broad and closely related to the education in the college, whether the students are works based or college based.

12. It is believed that the essential co-operation between the firms and colleges, both in the selection of the students and in their training, is greatly facilitated when firms sponsor their students during the whole of the period of training, whether in the college or works and pay their wages and college fees. This arrangement is already widely accepted by many firms which co-operate in this kind of training, for they have found that it fosters loyalty on the part of the students towards their employers and acts as a considerable stimulus to recruitment.

Not all firms may be in a position to help deserving students to the fullest extent required. In such cases suitable students should be able to look to local education authorities for adequate assistance, according to their needs. As these are courses of professional level, the students should be eligible for assistance on a similar basis to students going to university. Further, those who have the necessary ability and intend to pursue courses of sufficiently high level will have the opportunity to apply for Technical State Scholarships.

13. The Council understand that it is the normal policy of the Ministry to require student fees to be charged for courses of all kinds although provision is made for remission in cases of hardship. They feel that there are sound reasons why the normal policy should be followed in the case of sandwich courses. The fees charged by local education authorities are not economic fees and represent only a fraction of the actual cost to the authority of the provision it makes.

14. There should be the fullest regional consultation before new courses of this kind are started so as (a) to avoid duplication and consequent uneconomic use of staff and facilities and (b) to ensure that courses are located at centres which can best provide them in a proper environment and which offer suitable opportunities of continued contact between the firms, the colleges and the students. On the other hand it is essential for regional machinery to work promptly so as not to prejudice the negotiations between industry and the colleges or delay the establishment of courses.

15. It is an essential pre-requisite for the development of professional sandwich courses that local education authorities should plan out-county arrangements on a free trade basis especially where the courses are works based. Thus if a firm arranges with a particular college for a sandwich course to be provided for selected employees who may come from a wide area each local education authority should accept without question responsibility for the appropriate inter-authority payment in respect of such of its own students as are accepted for admission to the course.

16. Where firms have factories in different parts of the country it will often be beneficial for students to go to the different factories in turn for their industrial training and it is understood that in those cases where the firm certifies that such arrangements are being made, the student would not be regarded as belonging to the area of any one authority and consequently the pooling arrangements would operate.*

17. Finally, the National Advisory Council believe that this method of providing the country with more technologists should be widely advertised as an

*Note.—Under the Local Education Authorities Recoupment (Further Education) Regulation, 1954, the full cost (less fees and main grant) of providing further education for students not regarded as belonging to the area of any local education authority is met from a central “pool” to which all authorities contribute.
additional means towards meeting a requirement that is vital to industry and, in fact, to the nation. The Council is aware that certain sections of industry are already co-operating in the development of sandwich courses but the tempo should be quickened and the negotiations which the Ministry is conducting at the national level with industry should be supplemented by similar discussions at the regional level. It is hoped that this will be facilitated by arrangements which are being discussed between the Ministry and the Federation of British Industries.

Much of the success of these developments will depend on the ability of the Ministry and the local education authorities to provide facilities. Improvements are required in the accommodation and staffing at the technical colleges and many colleges require hostels. The matter is urgent and the National Advisory Council hope that the necessary capital investment will be made available for this purpose.

Signed on behalf of the Council,  
R. M. WEEKS,  
Chairman.

6th February, 1956.
CABINET

NUCLEAR WEAPONS

NOTE BY THE PRIME MINISTER

I circulate for the information of my colleagues, some correspondence which I have had with the Archbishop of Canterbury about nuclear warfare. I also attach the draft of a further reply to the Archbishop based on a draft kindly prepared by the Minister of Defence.

I propose to send this reply to the Archbishop on February 22, provided that none of my colleagues has any objection.

A. E.

10 Downing Street.
15th February, 1956.
My dear Prime Minister,

Before you leave for the U.S.A., I ought, I think, to represent to you that there is an anxious and growing opinion among the Churches that the British and American Governments must take a fresh initiative now in the field of disarmament and atomic warfare if the situation is to be kept under any kind of moral control.

It is possible to justify the existence of the H-bomb so long as it is a deterrent. You have just done so publicly, and I have recently done the same. But it is known to all parties that the use of the H-bomb in a war would destroy and devastate both sides beyond endurance. Since its use would be only a final act of suicide, the H-bomb is losing its power as a real deterrent. A local war could be conducted with impunity since neither side would dare to use the H-bomb, thereby making the local war into a global war of mutual extermination. Thus any moral justification of the H-bomb daily decreases, and the revolt of the Christian conscience against the very existence of such an inhuman and nihilistic weapon multiplies.

May I add a few notes, though they can hardly add to your own thinking in this matter.

1. I am told by some in close touch with U.N.O. and the U.S.A. Government that the disarmament discussions have reached a critical point where ground may be lost instead of gained unless the British Government can give a vigorous lead when the disarmament sub-committee reconvenes. Can that lead be given, and how, in such a field sown with dragons' teeth?

2. The immediate problem is threefold, to achieve:—

(a) Some reduction in all armaments.
(b) Prohibition of the manufacture or use of some means of destruction.
(c) A control, which will ensure that any agreement is observed.

Each nation tends to emphasise one of these three aspects at a time and to be difficult about the others. No progress is possible unless the most powerful nations can move together. Cannot a programme of slow but simultaneous advance in each one of these three directions be pressed and publicised?

1. There must be control, but it need not be completely foolproof so long as it is accompanied by advance in the other two directions: and along the lines of your own plan, it might start from a pilot inspection project.

2. Levels of reduction were proposed by the United Kingdom and France last March and agreed to by the Russians in May; cannot they be accepted as they stand in this context of three-fold advance?

3. Prohibitions of any sort are difficult indeed, but as I indicate in the next note, there seems to be a possibility here calling for exploration; and a formal agreement to explore it immediately and urgently would help greatly.

Along such lines of concurrent advance could not we and the U.S.A. give a fresh impetus to the whole affair?

3. The heart of the problem lies in the prohibition of such intolerable evils as the existence of the H-bomb; and the difficulties in securing prohibition of its
use altogether are almost insurmountable. But can they be circumvented? You are familiar with proposals for distinguishing between the strategic use and the tactical use of nuclear weapons. I am told that such a distinction can be made—the strategic H-bomb being indiscriminate, suicidal, universal; the tactical bomb of limited power being localised in effect and controllable.

Those who are asking for this matter to be explored, generally argue that it would enable a convention not to bomb great centres of population. That would of course be an immense relief to conscience. But I should not wish to bring it into this discussion. There can be endless arguments about that kind of convention and abuses of it are easy. But if a real distinction is possible between the H-bomb, of the uncontrollable power on the one side and the limited and localised atom bomb on the other, then no convention is needed; an unilateral declaration can be made effectively.

If we said that in any local war, we would use limited atom weapons up to an x degree of strength and no more unless and until our opponents went above that degree, a secure position is gained. The fact that this known and limited degree of strength effective within its own limits will be used becomes a real and practical deterrent. Those on the other side will know what they would be in for. Equally they would know that if they went above that level, they would start a process that would end in the H-bomb.

The situation would thus come under moral control once again. The H-bomb would no longer dominate the situation. Interest would be transferred to the atom bomb of limited power as a known possibility. Thus the evil of the H-bomb might be circumvented and finally forgotten and go out of mind.

The moral argument for an exploration here is overwhelming. I am told that on scientific and military grounds there is abundant justification for a full and authoritative investigation. Could that investigation be authorised? And if at the same time there could be agreement to prohibit any more experimental explosions of H-bombs, that would greatly help both the moral issue and the public morale. Is it not true that in fact these experimental explosions serve no practical purpose? As a man can drown just as easily in 10 feet of water as in 50 fathoms of it, so civilisation can perish just as thoroughly by means of the present H-bomb as by any further development of it.

4. The fact is that we and the U.S.A. must for our own sakes and for the world's safety recapture the moral initiative in this field. Russia is so placed that she can with apparent sincerity proclaim herself as the only friend of peace and the only nation that sincerely wants to abolish the H-bomb, while at the same time obstructing every practical form of co-operative and trustful advance. Our reply of “deterrence” by the existence of the H-bomb while so far effective is a diminishing asset; and anyhow it is at its evil best defensive only. Christians are deeply perturbed: their prayer is that by means of your conversations with President Eisenhower a step may be clearly and constructively taken which restores the moral and Christian initiative in a territory so devil-possessed.

Yours sincerely,

(Sgd.) GEOFFREY CANTUAR.

The Rt. Hon. Sir Anthony Eden, K.G., P.C., M.C.
My dear Archbishop,

January 24, 1956.

I have your letter of January 23 about the problems presented by the H-bomb and atomic warfare.

My colleagues and I have already given long and anxious thought to these difficult questions. Our discussions have led us to the conviction that we must continue to possess the deterrent of the H-bomb.

On the eve of my departure for the United States I cannot do more than state that my opinion on this matter remains unchanged. I will, however, give your letter further careful thought during my journey, and I will send you a detailed comment on your letter as soon as I can.

Yours sincerely,
(Sgd.) ANTHONY EDEN.

His Grace the Lord Archbishop of Canterbury.
DRAFT LETTER TO THE ARCHBISHOP OF CANTERBURY

My colleagues and I have given most careful thought to your letter of 23rd January, 1956, in which you raise with me certain grave issues relating to nuclear weapons and disarmament.

You say that, since its use would be only a final act of suicide, the H-bomb is losing its power as a deterrent, and that a local war could therefore be conducted with impunity, since neither side would dare to use the H-bomb and thus convert the local war into a global war of mutual extermination.

If I may say so, I cannot agree with this view. I do not think that the H-bomb will lose its deterrent power when both sides possess it in quantity. We start from the position that the West will never be the aggressor, a position which has recently been repeated in the Declaration of Washington, with its clear statement that “we shall never initiate violence.” Surely it is what Russia thinks would happen to her if she started aggression, whether directly or indirectly, that is the governing factor in the cautious and calculating minds of her rulers, and not what injury she could do to them in return if her aggression were countered by the use of the H-bomb. This is the real deterrent, and it will be weakened only if the resolve of the West to deal with aggression is undermined by fear of the possible consequences to itself. The maintenance of this resolve is surely the greatest guarantee of peace, since so long as it is maintained the Russians will hesitate to provoke even minor local aggression for fear of beginning a process which will lead to so fearful a catastrophe.

This is, however, not to say that any move by Russia should she be rash enough to make one, would inevitably be countered by the use of the H-bomb. The doctrine of economy of force, which is the basis of all sound military action, still applies to-day. It is not possible to be specific in discussing hypothetical situations, but I can certainly conceive of circumstances in which local aggression could be dealt with effectively by local retaliation only. This local retaliation might well involve the use of nuclear weapons on tactical objectives, and I do not believe that the use of these weapons in such circumstances would necessarily lead to the full horror of global war. No government could in my view define precisely in advance the circumstances in which it would use some weapons but not others, and any attempt at delimitation in advance would, I am sure, not be to the advantage of the West. Nor is it scientifically possible any longer to draw any clear line of distinction between the various types of nuclear weapons; the spectrum is continuous between the smallest weapon of kiloton yield and the largest with a yield of tens of megatons. It is for these reasons that I feel we could not accept your suggestion for a statement that we would limit the power of weapons that we should use in particular circumstances.

Ever since the last war, at the end of which we were all appalled by the power of nuclear weapons, we have sought agreement on a comprehensive plan of disarmament. Time and again we have put forward proposals, either on our own or with our allies. At each turn we have been held up by the Soviet Union. The Russians have never shown signs of accepting any realistic proposals for inspection and control. It was in the face of this that at the last meeting of the General Assembly we advocated the idea of starting with a smaller measure of
disarmament so that the unresolved difficulties of control, particularly of nuclear weapons, should not block all progress. The General Assembly overwhelmingly endorsed our idea, but the Russians opposed it.

I am not sure whether it is true to say that the disarmament discussions have reached a critical point. In one sense they have reached a rather hopeful point, for the great majority of member States have recognised the importance of making a start with disarmament instead of only talking about it. This is perhaps the result of the impetus we tried to give the discussions on disarmament at the Summit Conference.

You say that though there must be control it need not be completely foolproof. In dealing with what we have come to think of as conventional armaments one can contemplate a system of control which is not completely foolproof. In the case of nuclear weapons, even a small margin of deception might prove disastrous to the world. One simply cannot afford to take even the smallest risk.

The use of atomic energy for civil purposes, which will be a great benefit in raising standards of living throughout the world, will bring into being ever-increasing amounts of fissile material which could be used by the ill-disposed for the clandestine manufacture of weapons without any serious risk of detection. Moreover, large stocks of such weapons already exist, and there is no means yet known of establishing beyond doubt that these stocks had in fact been entirely destroyed were such a course ever to be internationally agreed. Unless therefore we had an absolutely watertight system of control, we should risk putting the power to dominate the world into the hands of a country in whose good faith we could not trust. It would not be reasonable to expect the West to run such a risk in dealing with Russia and those who have aligned themselves, or who have been forcibly aligned, with her.

In the meantime, the best hope of preserving peace is for the West to remain "the strong man armed." If it is to remain strong it cannot tie its hands in advance, but must retain full freedom to deal with any situation that may arise in the way it thinks best. In the last analysis, it is the values by which we live that are decisive in determining our course of action. Our civilisation is founded on our belief in the value of the individual, and our opposition to Communism rests upon our refusal to tolerate the degradation of the individual caused by the elevation of the State into a position of absolute power. Surely therefore it is right, in the face of the threat which menaces us, to take all the precautions that may be necessary to preserve those beliefs and way of life without which we should cease to be what we are.
20th February, 1956

CABINET

LEGISLATIVE PROGRAMME, 1955/56

Memorandum by the Lord Privy Seal

The purpose of this memorandum is to invite the Cabinet to settle the remainder of the legislative programme for the current session.

2. Pressure on Parliamentary time is exceedingly heavy. Consequently I have reluctantly had to ask several Ministers to agree to drop Bills which had a provisional place in the programme. It has not proved necessary, for one reason or another, to proceed with other Bills. The effect of this is that the following Bills will not now be introduced this session:-

- Agriculture (Miscellaneous Provisions)
- Colonial Development Corporation
- Colonial Immigrants
- Geneva Conventions
- Hire Purchase
- Imperial Institute
- Imports (Special Duties)
- Inventions and Designs (Defence)
- Local Government Re-organisation
- Oversea Civil Service Re-organisation
- Public Health (Scotland)
- Representation of the People
- Slaughterhouses
- Town Development (Scotland)

3. In spite of these extensive cuts in the programme, there remains an estimated deficit of from four to five weeks of Parliamentary time between now and the beginning of the summer recess. In order therefore to complete the reduced legislative programme for this session it will be necessary both to shorten the summer recess somewhat and to defer the opening of the new session until about 20th November. Moreover, these calculations allow no margin for unforeseen contingencies, although they do contain an allowance of time for legislation to deal with Ministers' salaries and the case of the Ulster Members. We might also be compelled by circumstances to proceed with Bills on, e.g., the British Caribbean Federation, or Malta.

4. Nevertheless, there remain eight Bills which need some further consideration. Particulars of these are set out in the Annex. The calculations in the preceding paragraph take no account of these Bills and if any of them were to be added to the programme the deficit of Parliamentary time would be proportionately increased. It would clearly be difficult - unless for emergency reasons a new Bill had to be fitted in -
to suspend proceedings on any of the Bills now before Parliament in order to make room for one or more of the eight Bills. I accordingly invite the Cabinet to decide whether, notwithstanding these various considerations, a place must somehow be found in the legislative programme for any of the Bills described in the Annex.

R. A. E.

Office of the Lord Privy Seal, S.W.1.

20th February, 1956.

ANNEX

Bill to abolish Capital Punishment

In view of the outcome of the debate on 16th February, the question of introducing legislation in the current session will now need to be urgently considered.

(Family Allowances

(Workmen's Compensation

The case for introducing these Bills is set out by the Minister of Pensions in CP. (56) 35 and 44.

Shops (Closing Hours)

This Bill, which contains about sixty-eight clauses based on recommendations in the Gowers Committee's report, has been substantially drafted. The Prime Minister told the Trades Union Congress in July last that the Government hoped to be able to introduce it in this session.

Water

The purpose of this Bill is to provide permanent powers to replace those contained in two Defence Regulations, without conferring any new powers. The case for retaining the Bill in the programme is that, without it, the Government will be able to take little credit, in the course of next autumn's debates on the renewal of emergency legislation, for progress in reducing reliance on the surviving war-time powers. The Home Secretary said in the House of Commons on 14th November last that it was hoped that the Bill could be introduced this session.
Public Works Loans Bill

On present trends it appears that the powers of the Public Works Loans Board to lend under the existing Act are likely to be exhausted some time between the middle of July and the end of August. In this event, legislation may be unavoidable.

Crown Lands Bill

This would be a two-clause Bill dealing with the constitution of the Commissioners of Crown Lands by setting up a Board of Trustees.

Department of Scientific and Industrial Research Bill

The purpose of this Bill would be to provide statutory authority for the Department of Scientific and Industrial Research. An undertaking has been given to the Public Accounts Committee that the Bill will be introduced in this session. This pledge would be honoured by introducing the Bill, even though it should prove impossible to find time for all its Parliamentary stages.
LEGISLATION TO ABOLISH THE DEATH PENALTY
FOR MURDER

Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs

I have been thinking over the problem that confronts us as a result of the rejection of the Government's advice on capital punishment. It seems to me very difficult for us to introduce a Government Bill to abolish the death penalty. I do not see how we could advocate a step which we have so recently urged the House, for reasons which still seem to me to be cogent, to reject. I think that people outside the House who are against abolition would be very critical if we executed a volte face of this kind; and we should put those of our supporters who voted with us in an impossible position if, having urged them to vote according to conscience on the motion, we put the Whips on to compel them to vote in support of the Bill.

2. I believe that it would be more in keeping with the realities of the situation to take the line that this is a matter which the House, by defeating the Government's motion on a free vote, has taken out of the hands of the Government and that it is, therefore, appropriate that the Bill should be not a Government Bill but a House of Commons Bill sponsored by those on both sides of the House who were successful in carrying the abolitionist amendment. Mr. Silverman's Bill, a copy of which is attached, is backed by, among others, Mr. Chuter Ede and Mr. Clement Davies, and I see nothing undignified or inappropriate in finding time for a measure which has wide and respected support. It seems to me far better for the Government to make way gracefully for those who believe in abolition than to put ourselves into the equivocal position of sponsoring a measure which we have made it perfectly clear we consider to be contrary to the best interests of the country.

3. Whatever we decide about legislation, I have no doubt that I shall be expected to make a statement on the exercise of the Prerogative. I cannot abrogate capital punishment by administrative action in anticipation of a change in the law and I cannot announce that a reprieve will be recommended in every case. I must continue to consider each case on its merits, but I shall give full weight to considerations arising out of the uncertainty about the future of the death penalty.

4. I propose, therefore, to make a statement on the following lines:

"It would be wrong for the Secretary of State for Scotland and me to abrogate capital punishment by administrative action in anticipation of the amendment of the law or to fail to apply our minds to the circumstances of each particular case. In consider-
ing, as each case comes before us, whether to recommend the exercise of the Royal Prerogative of Mercy, we shall continue to give full weight to all relevant considerations, including the views on the subject of capital punishment expressed in this House."

5. This was the line taken by Mr. Chuter Ede in 1948 (Official Report of 10th June, Col. 2304 et seq), after he had realised that his original statement of his intention to recommend a reprieve in all future cases was unconstitutional.

6. Before I make a statement in Parliament I think it would be right for me to inform Her Majesty.

7. I recommend that we should announce our readiness to give time to Mr. Silverman’s Bill and that so far as the exercise of the Prerogative is concerned I should make a statement in the House on the lines proposed in paragraph 4 above.

G. LL. -G.

Home Office, S. W. 1,

21st February, 1956.
A B I L L

To

Abolish or for a period suspend the passing and execution of the death sentence on conviction of murder and to substitute an alternative penalty therefor.

B E 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:—

5 1.—(1) During the continuance in force of this Act, no person Abolition shall be sentenced by a court to death for murder; and every enactment requiring a court to pronounce or record a sentence of death in any case of murder shall be construed as requiring the court to sentence the offender to imprisonment for life.

10 (2) Nothing in this Act shall affect the provisions of section fifty-three of the Children and Young Persons Act, 1933 (which prohibits the passing of sentence of death against a person under the age of eighteen years, and requires the court, in lieu thereof, to sentence him to be detained during Her Majesty's Pleasure).

(3) In the application of this Act to Scotland the reference to sentencing to imprisonment for life shall be construed as a reference to sentencing to penal servitude for life, and for the reference to the Children and Young Persons Act, 1933, and section fifty-three thereof there shall be substituted a reference to the Children and Young Persons (Scotland) Act, 1937, and section fifty-seven thereof.

[Bill 50]
Death Penalty (Abolition)

A BILL

To abolish or for a period suspend the passing and execution of the death sentence on conviction of murder and to substitute an alternative penalty therefor.

Ordered to be brought in by
Mr. Sydney Silverman, Mr. Ede,
Mr. Clement Davies, Mr. Bevan,
Mr. Montgomery Hyde, Mr. Paton,
Mr. Daines, Dr. Barnett Stross,
Mr. Wedgwood Benn, Mr. Paget,
Sir Beverley Baxter and Mr. Wade

Ordered, by The House of Commons,
to be printed, 15 November 1955

LONDON
PRINTED AND PUBLISHED BY
HER MAJESTY'S STATIONERY OFFICE
Price 3d. net

[Bill 50] (38749)
2.—(1) This Act may be cited as the Death Penalty (Abolition) Act, 1956.

(2) This Act shall continue in force for a period beginning with the passing of this Act and ending as hereinafter provided.

(3) If at any time not earlier than a period of five years beginning with the passing of this Act an Address is presented to Her Majesty by each House of Parliament praying that this Act shall not continue in force beyond such date as shall be therein specified Her Majesty may by Order in Council make provision for that purpose, and this Act shall expire on such date.

If no such Order in Council is made within a period of ten years beginning with the passing of this Act then this Act shall thereafter continue in force without limitation of time.

Death Penalty (Abolition)

A B I L L

To abolish or for a period suspend the passing and execution of the death sentence on conviction of murder and to substitute an alternative penalty thereof.

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[Bill 50]
At the suggestion of the Lord Privy Seal, I am circulating a report on the position now reached on the old cases of workmen's compensation.

2. The problem is that of the totally disabled man whose injury was received prior to the Industrial Injuries Act and who receives benefit under the Old Workmen's Compensation Acts. The maximum rates of workmen's compensation have remained where they were fixed in 1943, i.e. 40s. (single), 50s. (married), and 55s. (married with pre-accident child). Under the Industrial Injuries Act the pension in respect of 100 per cent disability is 57s. 6d.

3. In view of the dismantling of the old workmen's compensation system, the only practicable way of providing additional help for the recipients of workmen's compensation is to supplement it from the Industrial Injuries Fund. There is strong feeling in the Trade Union movement that the disparity in benefit, which results solely from the date when the man suffered his injury, is excessive and should be remedied. They argue that, if the workmen's compensation system had remained, the rates fixed in 1943 would have been increased in line with almost every other form of social service payment.

4. In these circumstances, my predecessor obtained authority from the Home Affairs Committee (H.P. (56) 16th Meeting, Item 10) to negotiate with the Trades Union Congress (T.U.C.). He had authority to go as far as a scheme of graduated supplementation which would have cost £800,000. When I saw the T.U.C. recently, however, I was able to come to an understanding with them on the basis of a somewhat more economical scheme providing a supplement of 17s. 6d. for all the totally incapacitated. This scheme would cost the Industrial Injuries Fund £650,000 a year.

5. The T.U.C. have also pressed for supplementation in the case of the partially incapacitated. I share my predecessor's view that there is little case for this, in view inter alia of the fact that the partially incapacitated are able to earn at today's higher wage levels. While the T.U.C. reserved their position on the partially incapacitated, I was able to obtain from them an assurance that, subject to what is said below, a Bill even though limited to the totally incapacitated and on the lines set out above would go forward with their full goodwill.
6. The difficulty is timing. The T.U.C. set great store by speedy action. They feel strongly that the men concerned have had a difficult time in the last few years and that their position ought to be rectified speedily. Indeed, they made it clear that their goodwill for a modest measure such as that indicated above was contingent on early steps to enact it. I formed the impression that the T.U.C. representatives were extremely anxious to be able to show some result for their discussions before the meeting of the T.U.C. in September.

7. It would therefore be an advantage from the point of view of clinching the deal if legislation could be introduced this session. Authority has been obtained to draft, and a Bill is being prepared. I would not myself give this measure priority as against the Family Allowances Bill. The case for taking it this session is in substance the desirability of bringing to a conclusion an economical arrangement for dealing with a long-standing grievance.

8. I warned the T.U.C. when I saw them that I could not guarantee legislation this session, and I attach as an annex to this paper a letter received from Sir Vincent Tewson.

J.A.D.-C.

18th February, 1956.

ANNEX

Trades Union Congress.

26th January, 1956.

Dear Mr. Boyd-Carpenter,

Supplementation of Workmen's Compensation Cases

The General Council have considered the proposals discussed at the deputation which you received on 17th January.

They are strongly of the opinion that action to deal with the total incapacity cases on the lines agreed at the meeting should be taken at the earliest opportunity. There is, as you know, very strong feeling on this matter in our Movement, and the General Council have asked me to urge that every effort should be made to ensure the introduction of the necessary legislation during the present session.
It is understood that the action proposed for total incapacity cases is without prejudice to the partial and latent cases. The General Council note that while you were unable to hold out prospects of extending legislation, you would be prepared to give consideration to a further memorandum on this aspect.

Yours sincerely,

(Signed) VINCENT TEWSON

General Secretary.

The Rt. Hon. John Boyd-Carpenter, M. P.
CABINET

ICELAND FISHERIES DISPUTE

MEMORANDUM BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS, THE SECRETARY OF STATE FOR SCOTLAND AND THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD

The Cabinet last discussed the possibility of settling the Iceland fisheries dispute on 14th May, 1953 (C.C. (53) 31st Conclusions, Minute 7). They agreed that Her Majesty’s Government should take no further initiative following the rejection by the Iceland Government of Her Majesty’s Government’s proposal for a reference of certain base-lines to the International Court of Justice, but decided to await a positive proposal from the Iceland Government. No such proposal was ever made, but in 1954 Iceland raised the subject of the boycott of Iceland-caught fish in the Organisation for European Economic Co-operation (O.E.E.C.). Her Majesty’s Government then encouraged the Organisation to set up an informal Group, consisting of a Swiss chairman, with Norwegian and Belgian assessors, to seek a solution in association with representatives of Her Majesty’s Government and the Iceland Government.

2. We think that the time has now come to inform our colleagues of developments. A brief account of the negotiations is at Annex A and the text of proposals for a settlement, put forward by the Group at their latest meeting held from 24th to 26th January, is at Annex B.

3. These proposals may be summarised as follows:

(a) The Iceland Government will declare that they will make no change in their fishery limits until the report of the International Law Commission on the regimes of the high seas and of the territorial sea has been considered by the General Assembly of the United Nations at its next session.

(b) The Iceland Government will state that British and other foreign trawlers may seek shelter within the present fishery limits in bad weather without first being required to stow their gear. They will also be allowed to sell their catch in Iceland ports if delayed there by damage.

(c) The Iceland Government offered an agreement to regulate the landings of Iceland-caught fish in United Kingdom ports; in view of Her Majesty’s Government’s general commercial policy, this agreement must be made between the fishing industries of the two countries.

(d) In return for the foregoing, the British fishing industry will remove the boycott on Iceland-caught fish in United Kingdom ports.

(e) The O.E.E.C. Group will remain in being and may be reconvened at need.

4. The declaration which the Iceland Government offer in fulfilment of (a) above appears to us to be acceptable and that at (b) above is satisfactory.

5. As regards (c) above, an agreement to regulate landings is to be negotiated under the auspices of O.E.E.C. by representatives of the fishing industries of the two countries. The first meeting was held from 8th–9th February. Progress was made but a further meeting will be necessary. At the insistent request of the Iceland Government, and with the support of the O.E.E.C. Group, both sides were accompanied by observers from their Governments.
6. We have consulted the President of the Board of Trade on whether an agreement, which would depend essentially on a unilateral undertaking by the Iceland industry to regulate landings of their fish in the United Kingdom, would come within the scope of the Restrictive Trade Practices Bill. We understand that it will not, but that the President would wish to look at the matter again, if there should be criticism in the House. In that event, we would ask to be consulted.

7. We are satisfied that settlement on these lines, providing for a standstill arrangement on the fishery limits, with reservation of the legal position of both sides, is all that is feasible at this time; and that it best safeguards the essential interests of the British fishing industry while the search for internationally recognised criteria for the determination of fishery limits is being pursued. It also ensures that the Iceland Government will not yield for a certain period to the continuing pressure from their own fishing interests for extension of the limits. The period is admittedly imprecise and cannot be certainly reckoned beyond the end of the 1956 General Assembly, which will probably be by Easter 1957. Nevertheless, we regard this as a favourable development and consider that there is good reason to hope that the agreement would improve the atmosphere and prepare the way for a final agreed settlement of the problem.

8. A prolongation of the dispute would increase the economic dependence of Iceland on the Soviet bloc; it would also strengthen the hands of the Communists in Iceland, whose aim is to deny the United States the use of the vital air base at Keflavik and to bring about the withdrawal of Iceland from the North Atlantic Treaty Organisation.

9. The proposed settlement will create a complication with the Faroe Islands. An Anglo-Danish agreement was signed last year establishing wider fishery limits for the Faroes, drawn generally three miles from the islands. This agreement cannot be denounced until 1965; but the Danes, who have their own difficulties with the Faroes, are asking for it to be modified on the ground that Her Majesty's Government have agreed to a 4-mile limit off Iceland. This is not so, as the O.E.E.C. proposals are without prejudice to the legal position. We think it will be necessary to stand firm and refuse to renegotiate the Faroese Agreement, at least until the United Nations have considered the report of the International Law Commission on the regimes of the high seas and of the territorial sea. We do not consider that this Faroese complication should deter us from the Icelandic settlement.

S. L.  
J. S.  
D. H. A.

20th February, 1956.

ANNEX A

HISTORY OF THE ICELAND FISHERIES DISPUTE

In 1952 the Iceland Government imposed new fishery limits, drawn at a distance of four miles from a series of base lines across the bays and inlets of the Iceland coast. Until this time, the Iceland limits had been at a distance of three miles from low water mark. The Iceland Government's action deprived the British fishing industry of valuable fishing grounds. In retaliation, the industry imposed a boycott of Iceland-caught fish in United Kingdom ports.

2. All the States interested in the Iceland fisheries protested at this unilateral extension of the limits, but it was only in the United Kingdom that any action, even unofficial, was taken against Iceland; as a result, the dispute has assumed a bilateral character, although the United Kingdom is in fact fighting the battles of several other European States. Her Majesty's Government proposed first that the matters in dispute should be referred to the International Court of Justice; the Iceland Government refused, unless the boycott were removed before any hearings at The Hague. The British fishing industry refused to lift their boycott until the Iceland Government also has restored the status quo by reverting to the former
limits; Her Majesty's Government were therefore unable to accept the Iceland condition, as it would have been difficult to compel the industry to remove the boycott, particularly as Her Majesty's Government believe that the industry have some reason to consider themselves the injured party.

3. Numerous attempts were made to settle the dispute, but no progress was made until the O.E.E.C. became involved. Her Majesty's Government welcomed a proposal by the Swiss delegate that an informal Group should be set up to try to find a solution. The Group consists of the Swiss delegate, as Chairman, accompanied by one assessor chosen by each side; the Iceland Government chose the Norwegian representative, and Her Majesty's Government nominated the Belgian.

4. After the Iceland representative had refused to discuss any modification of the new fishery limits, the Chairman proposed a settlement on the basis of a declaration by the Iceland Government that they would not extend their limits further until the International Law Commission of the United Nations had completed its work on the régime of the territorial sea and of the high seas, and its report had been considered at the Session of the General Assembly of the United Nations in November 1956.

5. Sufficient time had passed since the imposition of the new limits for their effect on the catch of the British distant water fleet to be estimated. It appeared that no serious loss had been inflicted on the British industry, but that any further extension of the limits would be harmful. The Iceland Law under which the 1952 limits were promulgated envisages eventual control of fisheries throughout the waters above the continental shelf surrounding Iceland, extending anything up to fifty miles from the coast; while the Iceland Government have taken no steps to put these powers into effect, they have been under continual pressure to extend the limits. The extension of the limits is bound to be an issue in the general elections which must take place not later than the summer of 1957.

6. The Parliamentary Under-Secretaries at the Foreign Office and the Scottish Office, and the Parliamentary Secretary at the Ministry of Agriculture, met representatives of the trawler owners, of the trawler officers and of the fish merchants on 14th December, 1955, and commended these proposals to them. This meeting had been preceded by a considerable amount of preparatory work and representatives of the fishing industry, at a further meeting on 5th January, 1956, expressed their willingness to remove the boycott if the conditions set out in the proposals were complied with by the Iceland Government.

7. At the last meeting of the O.E.E.C. Group, held in Paris from 24th to 26th January, the proposals were elaborated and defined, emerging in the form set out at Annex B. The United Kingdom representative undertook to persuade the British fishing industry to enter into negotiations as soon as possible with representatives of the Iceland fishing industry for the resumption in an orderly manner of landings of Iceland-caught fish in United Kingdom ports. The Iceland Government, having apparently realised the danger of dependence on Soviet markets, were prepared to accept the proposals; they had taken steps to ensure the eventual passage through the Iceland Parliament of a resolution recommending that there should be no extension of the limits for the time being, and had prepared a declaration to cover the remaining point in the Chairman's proposals.

8. Representatives of the two industries had a prior exchange of views in Paris, under the auspices of O.E.E.C., on 8th and 9th February.

ANNEX B

Aide-Mémoire by the Informal Group of O.E.E.C.

The informal Group, which was set up by the Council of the O.E.E.C. with a view to reaching a settlement of the dispute expounded to the Organisation by Iceland and the United Kingdom, met from 24th to 26th January, 1956.

2. At this meeting, the representatives of Iceland and the United Kingdom informed the Group of the following measures, envisaged on both sides and considered likely to facilitate the settlement of this dispute.
3. It was agreed that these measures do not imply a renunciation by the Government of Iceland of what it considers to be its rights as regards the determination of fishery limits, or a recognition by the United Kingdom Government of the validity in law of the measures taken in this respect by the Government of Iceland.

4. On the suggestion of the representative of Iceland it was agreed, first, that representatives of the fishing industries of both countries should be invited to meet in Paris, if necessary together with observers of their Governments, in order to conclude an agreement for the resumption in an orderly manner of the supply of Iceland-caught fish to the United Kingdom market; secondly, that negotiations should begin as soon as possible after 1st February, 1956, under the auspices of the Organisation, and with the good offices of the Group. These negotiations should be concluded at the latest in time to allow the Chairman of the Group to report to the Council within the time limit specified in paragraph 8 below.

5. The representatives of Iceland also informed the Group that the following draft Resolution was now before the Althing (Iceland Parliament):

"Whereas, upon the initiative of Iceland, the régime of territorial waters has for some time been under study in the United Nations together with the régime of the high seas; the Althing does not consider it advisable to take decisions regarding the extension of the fishery limits until the 1956 General Assembly of the United Nations has been terminated and there has been time to study any considerations which may emerge from the discussion of these matters in the Assembly; Therefore the Althing resolves to proceed to the next item on its Agenda."

The representative of Iceland pointed out in this connection that it was proposed to submit this draft Resolution to the Althing for adoption before the date fixed for submitting to the Council the Report referred to in paragraph 8 below, and that, if this draft Resolution were adopted, the Iceland Government would notify the Organisation and at the same time confirm that its terms represented the policy of the Iceland Government in this matter.

6. Finally, the representative of Iceland informed the Group that, on the conclusion of the agreement referred to in paragraph 4 above, his Government would be in a position to make the following official statement:

"The Icelandic Government confirms officially that, while existing legislation requires the stowing of fishing gear (though not of catch) inside the fishery limits, this legislation will, as hitherto, not be considered to be applicable to a foreign fishing vessel which has had to seek shelter because of bad weather or for other reasons of force majeure.
In such cases, an Icelandic patrol vessel or the Fisheries Inspection of Reykjavik must be immediately informed of the fishing vessel's position as well as of its intended course, and the fishing gear must be stowed as soon as circumstances permit. A foreign fishing vessel which enters an Icelandic port because of engine trouble or other defects, or of damage to the vessel, will, as hitherto, be permitted to sell its catch there if the catch might otherwise be spoiled while repairs were being effected.

7. The representative of the United Kingdom informed the Group that the United Kingdom fishing industry were willing to lift the boycott of Iceland-caught fish on the United Kingdom market as soon as an agreement to regulate the supply of such fish had been reached and on condition that the measures provided for in paragraphs 5 and 6 above had also been taken.

8. The Group took note of the Statements of the representatives of Iceland and the United Kingdom and requested them to keep the Chairman of the Group informed of the measures taken or contemplated in accordance with paragraphs 4 to 7 above in order to enable him to report to the Council at the latest by 25th February, 1956, when he would propose that the Council should:

(i) note the measures taken by the two parties, and
(ii) keep the Group in being so that it might be reconvened at the request of any of its members or either of the parties.
CONFIDENTIAL
C.P.(56) 40
COPY NO. 21st February, 1956

CABINET

TECHNOLOGICAL EDUCATION

Memorandum by the Lord Privy Seal

I would invite my colleagues' attention to one aspect of the draft White Paper (C. P. (56) 40) which particularly impressed the group of Ministers who, under my Chairmanship, supervised its preparation.

2. If this White Paper is to tell a complete story, it must include some reference to technological education at the Universities as distinct from the technical colleges. The Universities are dealt with in Chapter II (paragraphs 47-54). In drafting this chapter, we have encountered two difficulties:

(a) There is, at the moment, nothing new that we can say about technological education at the Universities. The announcements made in 1953 and 1954 exhaust the possibilities of development during the present quinquennium; and it will not be until fairly late in the present year that we shall have any clear idea of the intentions of the Universities for the 1957-62 quinquennium. This is a pity, since it detracts from the positive and forward-looking tone of the rest of the White Paper.

(b) The paragraphs on the Universities are purely descriptive of what is already being done, and contain no justification of the Government's policy in this respect. In other words, they do not present, even implicitly, the counter-argument to the thesis which Lord Cherwell elaborates in the note which the Prime Minister included in C. P. (56) 1. It is arguable whether we should leave these paragraphs as they are, or whether we should inject into them something of the reasoning which has led the Government to believe that, on balance, their own approach to this problem is preferable to that of Lord Cherwell. It may help my colleagues, in deciding this question, to study the attached copy of a note, which was prepared for the group of Ministers who drafted the White Paper by way of commentary on Lord Cherwell's note in C. P. (56) 1.

3. I suggest that these difficulties might be partially overcome, and the general tone of the reference to the Universities might be improved, if the White Paper were amended as follows:
(i) Add, at the end of paragraph 1 - "The purpose of this White Paper is to outline the steps which the Government propose to take in order to achieve this aim, particularly by expansion of the technical colleges. The special position of the Universities is described in Chapter II".

(ii) Substitute for the existing paragraph 43 -

"The Government attach the greatest importance to the development of higher technology in the Universities. Their policy is based not on a rigid division between applied science and technology on the one hand and the arts and pure sciences on the other, but on the more organic conception of enlarging and improving existing institutions where science and technology already flourish."

(iii) Add, at the end of paragraph 54 - "The Government, in examining these recommendations, will have particular regard to the importance of progressively developing the facilities for technological education".

R.A.D.

Office of the Lord Privy Seal, S.W.1.

20th February, 1956.
In his note of 28th December, 1955, Lord Cherwell says that to produce technologists of what he calls the officer class in sufficient number, technological universities are needed like the Massachusetts Institute of Technology, Zurich, Charlottenburg and so on. He proposes that to produce the outline of a plan for this purpose (and also to advise on other aspects of the problem of scientific manpower) a very small high powered Committee should be appointed to report to the Cabinet.

2. It is stated in Lord Cherwell's memorandum that the Cabinet decided more than three years ago that technological universities should be set up. This is not the case. The University Grants Committee (U.G.C.) had been asked to advise "how best rapidly to build up at least one institution of university rank devoted predominantly to the teaching and study of technology". The Committee were told that "in the Government's view it may well be that the best way of achieving this is to concentrate our energies upon the Imperial College of Science and Technology", but they were asked not "to overlook the position of the Royal Technical College, Glasgow".

3. The Committee, reporting on this reference in July, 1952, agreed with the view that it would be best to concentrate upon the expansion of Imperial College. They referred in their report to the other two technological institutions on their grant list, the Royal Technical College, Glasgow, and the Manchester College of Technology, in which students work for degrees of the Universities of Glasgow and Manchester respectively; and they gave reasons for giving a higher priority to the expansion of Imperial College than to that of these other two institutions.

4. After discussion between Ministers, the Government accepted the recommendation to expand Imperial College and asked the U.G.C. to advise on further developments in other parts of the country. Acting on that Committee's advise, the Government undertook the programme of development announced in Parliament on 7th December, 1954. This programme provided, in addition to the expansion of Imperial College, for major developments at Glasgow, Manchester, Leeds and Birmingham, for other developments on a fairly large scale at Cambridge and Sheffield, and specialised developments in a number of other Universities. The developments in Glasgow and Manchester include developments both in the Universities of each city and in the colleges mentioned in paragraph 3. The capital cost of the Imperial College project over a period of ten years or more may well be of the order of £15 millions. The capital expenditure authorised on technological works at other Universities (outside the normal University building programme) is about £5 millions. Some of this work has been put in hand and the rest is to be begun during the period ending March, 1957. The plans approved provided for an increase of undergraduate numbers by about 2,000 and of post-graduate numbers by about 1,100. These figures include the Imperial College expansion (937 undergraduates and 713 post-graduates), a long-term project which will take longer than the present quinquennium to realise. The balance (about 1,000 undergraduates and 300-400 post-graduates) depends mainly on a programme of development which is being undertaken within this quinquennium. A further programme is to be prepared. The actual numbers of full-time technology students in University institutions rose
from 9,789 in October, 1953, to 11,248 in October, 1955, an increase of about 15 per cent. The numbers of students of pure science rose in the same period from 16,526 to 17,765, an increase of 7\% per cent.

5. There is no difference of view between Lord Cherwell and anyone else of standing on the urgency of the need for more University-trained technologists. The difference of view is about the nature of the University in which they should be trained.

6. Lord Cherwell appeals to the example of foreign countries. It is true that in most European countries the training of technologists of the class which we train in Universities had been undertaken in Technical High Schools separate from the Universities. No one would deny that a number of these institutions have a high and well-deserved reputation, but Lord Cherwell's argument involves the assumption that they owe their success to their separation from other fields of University study. There is no evidence for this assumption, and the example of America is against it. No country has equalled the technological success of America, but in that country the great bulk of University-trained technologists come from multi-faculty Universities and not from specialised institutes. The famous Massachusetts Institute of Technology was never typical of that country, and indeed now itself includes a Faculty of Arts.

7. What exactly is a "technological University"? Several of the English Universities - Birmingham, Leeds, Sheffield and King's College, Newcastle have developed from colleges founded to teach science and its industrial applications. They have come, by a natural process of growth or amalgamation with other institutions, to cover the whole range of University study, though the arts remain in a minority of one-third to a quarter, and this proportion is tending to fall. All the various branches of technology mentioned in Lord Cherwell's paragraph 7 are to be found in one or more of them, and are being vigorously developed there. The expression "technological University", however, as used in this controversy, has had a narrow meaning; it has meant a University wholly devoted to science and its industrial applications, other subjects being excluded. Thus Lord Cherwell himself, about three years ago, was speaking of an institution which would contain the necessary backing of non-technological subjects, but would not go so far as to teach arts. He seems, however, to have departed somewhat from this view, since he now asks for technological Universities in which "an emphasis is on the various forms of applied science, without of course neglecting ancillary subjects such as economics, law and language". Lord Cherwell overlooks the point that a University in which arts were present only as ancillary subjects might have some difficulty in attracting teachers of satisfactory standard. It can be argued that, if he wants his technologists to learn their economics, law and languages from teachers of the highest calibre - and he would surely wish this - then he must allow these subjects into his University on a footing which will attract them. For this purpose his teachers of economics, law and languages would have to be allowed some Honours students in their own subjects, and opportunities for original work. But a University which admitted the arts on this basis would not differ from the Universities mentioned above.

8. The shift in Lord Cherwell's position perhaps makes it unnecessary to argue in detail the case for broadening the education of technologists rather than narrowing it, and maintaining contact between them and men who are being educated in other disciplines for positions of responsibility in other walks of life, rather than segregating them in Universities of special type. Suffice it to say that the policy of the U.G.C. is being directed to increasing such contact, which they regard as insufficient in some institutions.
9. It may be that what Lord Cherwell wants is a new institution, modelled more closely on continental examples than anything now existing here. A new institution for teaching technology at University level on a large scale would involve certain practical difficulties. The first is the question of location. Any such institution should be in a major industrial centre if its departments are to maintain the necessary contact with industry. But all the major industrial centres already contain Universities, whose technological departments should be developed, rather than duplicated. More important is the question of time. It would take at least ten years, as Lord Cherwell has himself admitted, from the time when the planning of a new technological University started until it began to turn out any graduates. During a considerable part of this time the planning team, who would have to be experts of the first quality, would be virtually out of production so far as the current output of technologists was concerned. Much better progress is possible by building on existing foundations.

10. Pressure for special measures such as the foundation of technological Universities is due to the idea that established Universities are not sufficiently alive to the country's need for more scientists and technologists. Nothing could be further from the truth. The number of scientists and technologists which the Universities can turn out has been limited not by their own volition but by causes outside their own control, such as the limited number of qualified applicants for admission and the limitations on their buildings and equipment. The number of acceptable students is now increasing and, provided that the necessary new buildings and equipment are made available, there is no reason to think that the Universities will not be ready to train all the qualified applicants that come forward.

11. Lord Cherwell proposes the appointment of a high-powered Committee to report to the Government on the problems with which his memorandum deals. He draws an analogy with the Committee under Lord Waverley whose recommendations resulted in the establishment of the Atomic Energy Authority. There is, however, no true analogy between the two cases. Lord Waverley's Committee was set up to deal with a new and relatively narrow problem which did not fall within the province of any other body. The questions now raised by Lord Cherwell fall within the purview of two existing advisory bodies appointed by the Government - the U.G.C. assisted by their Technology Sub-Committee so far as regards University education, and the Advisory Council on Scientific Policy for more general issues. The shortage of scientific manpower is no new problem. It has been under discussion for a long time and it is unlikely that any new ideas or arguments will be forthcoming. In particular the question of technological Universities was exhaustively considered when Lord Cherwell was a member of the Cabinet. In advising on the expansion of Imperial College in 1952 (see paragraph 2) the U.G.C. reported against the creation of a new institution, and against the isolation of science and technology in a separate University. (Imperial College is one of the Colleges of the University of London and participates in the arrangements for inter-collegiate teaching in that University.) Again, in their later report on the development of higher technological education outside London, the Committee recommended that the development should be based on existing institutions, either Universities or colleges affiliated to Universities. In considering these reports the views of Lord Cherwell were fully considered, but the policy adopted was that recommended by the Committee, and developments based on that policy are now in progress. There would be no point in setting up a new Committee unless a reversal of this policy were contemplated. What is needed is to press on with the developments already sanctioned and work out further developments on the lines already agreed,
without reviving a controversy which delayed action while it lasted and is
generally now believed to have been buried. The setting up of a new
Committee would cause widespread comment and much perturbation. It
would be regarded as implying a reversal of policy and a withdrawal of
confidence not only from those on whose advice the policy now in operation
was adopted, but also from the Universities which have been entrusted
with the task of fulfilling that policy.
21st February, 1956

CABINET

FEDERATION OF MALAYA

Memorandum by the Secretary of State for the Colonies

I attach at Annex A a copy of the agreed Report of the Conference on Constitutional Advance in Malaya, and at Annex B an extract from the Report of the General Purposes Committee of the Conference, as approved by the Conference in Plenary Session, containing material relating to the proposed Constitutional Commission which was not included in the Report of the Conference as a whole. The Report of the Conference contains a number of typographical and other minor errors which have been corrected for publication of the Report as a White Paper in, I hope, the next two to three weeks. I do not expect my colleagues to read these two documents in full, and I therefore also attach at Annex C notes upon those recommendations of the Conference to which I think it necessary expressly to draw their attention.

2. The Conference was undoubtedly a success. Its Report deals with all the issues which we set out to settle; and the conclusions and recommendations upon them are comprehensive and free from ambiguity. Agreement was reached on all points within the limits authorised by the Cabinet on 17th January (C. M., (56) 4th Conclusions, Minute 3). These agreements are far-reaching, but we had all recognised beforehand that it was right to go a long way in order to obtain an amicable settlement, and they include satisfactory safeguards for all our vital interests. The business of the Conference was throughout conducted in an atmosphere of goodwill and I have no doubt that the Malayan Delegation has returned to the Federation with feelings of genuine cordiality towards Her Majesty's Government and the British people. In a farewell letter to me Tunku Abdul Rahman, the Chief Minister, wrote:

"We feel, as we return, that there has been laid down a most excellent basis for the continued improvement of relations between the United Kingdom and a self-governing Malaya within the Commonwealth and for increased friendship and understanding between our two peoples. I can assure you of my personal co-operation and support on all matters agreed upon."

It is, above all, upon this goodwill and co-operation that we must in future depend for the security of British and Commonwealth interests in the Federation of Malaya.

3. I have already sent the High Commissioner a despatch asking him to convey the Report of the Conference to Their Highnesses the Rulers and to ask them to express their views upon it. The Conference of Rulers
is to meet for this purpose on Tuesday, 28th February. Since the Report was unanimously agreed by the entire Delegation, including the representatives of the Rulers, I expect Their Highnesses to endorse it. I have told the High Commissioner that I hope before 28th February to inform him by telegram of the views of Her Majesty's Government upon the Report; and I have said that, should Her Majesty's Government approve its recommendations, I would propose, if those recommendations are also approved by the Conference of Rulers, to submit them to The Queen for Her Majesty's approval.

4. I therefore ask my colleagues to approve the Report of the Conference, including the proposals for the Constitutional Commission contained in the Report of the General Purposes Committee of the Conference. As I have said above, those conclusions and recommendations to which I think it necessary expressly to draw my colleagues' attention are set out in Annex C.

A. L-B.

Colonial Office, S.W.1.

21st February, 1956.
REPORT OF THE FEDERATION OF MALAYA

CONSTITUTIONAL CONFERENCE

HELD IN LONDON

IN

JANUARY AND FEBRUARY, 1956
I. INTRODUCTION

The constitution of the Federation of Malaya was set out in the Federation of Malaya Agreement, 1948, made between His late Majesty King George VI and Their Highnesses the Rulers of the Malay States. The preamble to the Agreement recorded their desire that progress should be made towards eventual self-government, and envisaged that, as a first step to that end, legislation should be introduced as soon as circumstances and local conditions permitted for the election of members to the several legislatures (i.e., the Federal Legislative Council and the State and Settlement Councils). Unfortunately, within a few months from the signing of that Agreement, the communists started their armed attack on the civil population and the fabric of government in the Federation. This delayed the introduction of the elections contemplated in the Agreement, although it was possible in 1951 to introduce, under the "Membership system", some devolution of authority by giving unofficial members of the Executive Council responsibility for certain Departments and subjects. It was not until 1953 that the improvement in the security situation made it possible to introduce the measures necessary to put in hand elections to the Federal Legislative Council and to the State and Settlement Legislatures. While these measures were under consideration the Alliance pressed for an effective majority of elected members in the Legislative Council; and in 1954 a number of their representatives, led by Tunku Abdul Rahman visited London and urged their views upon the then Secretary of State for the Colonies.

2. In the Federal elections, which took place in July, 1955, the Alliance secured 51 out of the 52 seats for elected members in the Legislative Council. Both before and after the elections the Alliance made clear its desire for further constitutional advance at an early stage, and when the Secretary of State for the Colonies visited the Federation in August, 1955, he held discussions with Their Highnesses the Rulers and with the new Alliance Ministers on the next steps to be taken in the direction of self-government for the Federation. As a result of these discussions it was agreed that a Conference should be held in London early in 1956 to discuss the future relations which should exist between Her Majesty's Government, Their Highnesses the Rulers and the Government of the Federation, and certain fundamental issues such as defence and internal security, finance and economic development and the future of the public services. It was also agreed in principle between Her Majesty's Government, Their Highnesses the Rulers and the Government of the Federation that a Commission should be appointed to review the constitution of the Federation, and that the terms of reference, composition and timing of this Commission should be discussed at the Conference and recommendations made thereon to Her Majesty the Queen and the Conference of Rulers.

II. THE CONFERENCE

3. The Conference accordingly met in London from 18th January to 6th February, 1956. It was attended by a Delegation from the Federation of Malaya consisting of four representatives of Their Highnesses the Rulers and the Chief Minister and three other Alliance Ministers. In addition, the High Commissioner for the Federation of Malaya, accompanied by some of his senior advisers, was in attendance. A list of those taking part is contained at Appendix A.

4. In opening the Conference the Secretary of State for the Colonies, the Rt. Hon. Alan Lennox-Boyd, said that it was almost exactly eight years since the Federation Agreement was signed. The Conference was agreed on the direction of the progress which it wanted to make; this was to secure the early establishment of a fully self-governing and independent Federation of Malaya within the Commonwealth on the basis of parliamentary institutions. This was not only a political problem, but also an administrative task of some magnitude and complexity.

*The Alliance is composed of the United Malays' National Organisation (UMNO), the Malayan Chinese Association (MCA), and the Malayan Indian Congress (MIC).*
He assured the Federation Delegation that in the constitutional and other development which lay ahead it would always be the desire of Her Majesty's Government to co-operate with the Federation Government in building a stable country.

5. In reply, the Chief Minister of the Federation of Malaya put forward the proposals which the Malayan Delegation desired the Conference to consider with special reference to the financial position, internal defence and security, the public services and the Constitutional Commission. The Conference agreed that these proposals should form the basis of its work and agreed to set up Committees to undertake detailed examination of the problems involved.

6. Our conclusions, which are set out below, are subject to approval by Her Majesty's Government in the United Kingdom and the Conference of Rulers. Effect can be given to some of our recommendations by administrative action, but others involve legislation, including in some cases amendment to the Federation Agreement and other constitutional instruments.

III. DEFENCE AND INTERNAL SECURITY

7. Throughout our discussion of the problems of defence and internal security we have drawn a distinction between two stages of constitutional development in the Federation of Malaya: the interim period before full self-government, during which Her Majesty's Government in the United Kingdom will continue to exercise certain important responsibilities in respect of the Federation; and the final stage of full self-government and independence within the Commonwealth. We have so framed our proposals for the interim period that, as well as reflecting the distribution of responsibility between Her Majesty's Government in the United Kingdom and Malayan Ministers during that period, they will be capable of being continued into the stage of full self-government with the minimum of administrative and other disturbance. Our object has been to reconcile the factors of continuity and efficiency on the one hand, with recognition of the evolving political facts of the situation on the other.

(a) The Interim Period

8. We agree that the member of the Government responsible in the Executive and Legislative Councils for matters of internal defence and security should, in place of the Secretary for Defence, be a Malayan Minister who should be styled Minister for Internal Defence and Security. We agree also that Her Majesty's Government through the High Commissioner should retain during the interim period full responsibility for external defence; and we consider that it would be appropriate that the High Commissioner should himself bring to Executive Council for advice or information matters relating to external defence and that the Chief Secretary should answer for these matters in Legislative Council.

9. The requirements of internal defence and security in the interim period need to be considered in two aspects; the arrangements for handling operations during the remainder of the Emergency and the transfer of the administration of the local internal security forces, which should be put in hand forthwith.

Emergency Operations

10. With regard to the remainder of the period of Emergency we agree that it is consistent with the present stage of political development of the Federation that there should be some change in the arrangements for concerting the operations of the armed forces, the police and the several civil departments and agencies involved. To this end we agree that the present Committee of which the Director of Operations is Chairman should be replaced by an Emergency Operations Council, with the Minister for Internal Defence and Security as Chairman and including the Director of Operations among its members. The forces required for the prosecution of the Emergency would remain under the operational command of the Director of Operations and would be used to aid the civil authorities in giving effect to directions of the Emergency Operations Council made in pursuance of policy as laid down from time to time in Executive Council. The Emergency Operations Council, like the post of Director of Operations itself, will be temporary and is not expected to outlast the Emergency. We recognise, however, that continuing arrangements will be required, also in the context of general policy as determined in Executive Council, for countering the threat of communist subversion.
We agree that steps should be taken to enable the Federation armed forces to be administratively self-contained. At present their administration is integrated with that of the United Kingdom forces, and is largely carried out by Headquarters Malaya on behalf of the Federation Government. The process of setting up self-contained administrative machinery for the Federation forces must take time, but meanwhile there should be set up forthwith on a statutory basis a Federation Armed Forces Council, which would be a permanent body, quite distinct from the Emergency Operations Council discussed in paragraph 10. The process of building up the necessary administrative substructure will be carried out under the aegis and direction of this body.

12. The functions of the Council and the distribution of responsibilities to its individual members will broadly correspond to the practice obtaining in the Army and Air Councils in the United Kingdom. The membership of the Council will at first be:

The Minister for Internal Defence and Security - Chairman;
A representative of Their Highnesses the Rulers;
The General Officer Commanding the Federation Army (who would be seconded by Her Majesty's Government in the United Kingdom, and be appointed by and be responsible to the Federation Government);
Two other professional members corresponding to the United Kingdom Adjutant-General (who deals with personnel matters) and Quartermaster-General (who deals with stores and equipment);
The senior civil servant in the Ministry of Internal Defence and Security.

A representative of Headquarters Malaya will be available to attend when required so long as the Federation army is dependent on administrative support from Headquarters Malaya. We consider that this Council should handle administrative questions concerning the existing and future Federation Naval and Air Forces as well as Army matters.

13. In the light of the provisions and practice in the United Kingdom regarding the handling of Service matters, we consider that the following principles are applicable to the Federation:

(i) the armed forces are forces of the State (as represented by the Head of State) and are raised and maintained by the Head of State in accordance with legislative authority;

(ii) so far as the armed forces themselves are concerned, their affairs will be regulated by the Armed Forces Council and not by any individual;

(iii) so far as the Executive and Legislative Councils are concerned, the Minister, as Chairman of the Armed Forces Council, will be responsible for the administration of the armed forces;

(iv) subject to the Minister's general responsibility to the Head of State, on whose authority all appointments are made, personnel matters will in practice be dealt with, up to a certain level, by the professional member of the Armed Forces Council corresponding to the Adjutant-General in the United Kingdom, and beyond that level, in relation to very senior posts, by consultation between the Head of State, the Minister and the senior Service advisers of the Government;

(v) the Armed Forces Council, in accordance with United Kingdom practice, will not direct the operational use of the armed forces. Policy decisions governing the use of the forces will be taken in Executive Council.
The Position of UK and Commonwealth Armed Forces in the Federation

14. We recognise that in the interim period Her Majesty's Government in the United Kingdom will continue to have direct responsibility for the external defence and external relations of the Federation, and that they will therefore retain in the Federation the forces which they consider necessary for the external defence of the territory and for the fulfilment of their Commonwealth and international obligations. To this end they will require in the Federation the facilities needed for the maintenance of those forces, which include the Commonwealth Strategic Reserve.

15. We agree that provision should be made for consultation between Her Majesty's Government and the Government of the Federation on matters arising from the stationing of United Kingdom and Commonwealth forces in the Federation. This should take the form of an understanding that, except in circumstances when immediate action would be essential, e.g. in war or a serious emergency, the Federation Government should be informed in advance of any proposed substantial changes in the size or character of the United Kingdom and Commonwealth forces in the Federation, and given an effective opportunity of making such representations as they wished. We recognise that in the discharge of their responsibility Her Majesty's Government will be bound to consider their arrangements for the defence of Malaya against the background of general defence policy, and cannot therefore undertake to make their dispositions subject to the approval of the Federation Government, whose views will however receive the fullest consideration.

External Defence Committee

16. To facilitate the handling of such matters, and to prepare the way for the time when, on the advent of full self-government, responsibility for external defence passes to the Federation Government, we agree that there shall be set up a Committee to discuss and advise on questions relating to the external defence of the Federation. The Chairman of this Committee should, in view of Her Majesty's Government's responsibility for external defence, be the High Commissioner; and its membership should include the Minister for Internal Defence and Security; the Chief Secretary and a number of other Ministers; the General Officer and Air Officer Commanding United Kingdom forces; and the senior civil servant responsible to the High Commissioner for matters of external defence. The Committee will be a temporary body, designed to meet a need peculiar to the interim period.

The Police Force

17. We agree that the needs of the interim period are to maintain the force at a high level of operational efficiency, particularly for the rest of the Emergency; to prepare the way for a smooth run-down of the force to normal proportions thereafter; to establish a system of administration (especially on the personnel side) suitable for continuance into the stage of full self-government and independence within the Commonwealth; and to allow due scope for a policy of Malayanisation without damage to the efficiency and morale of the force as a whole.

18. As regards operations, during the remainder of the Emergency elements of the force will form part of the resources available under the general direction of the Emergency Operations Council (see paragraph 10 above). In normal times the force will be largely self-directing, under its own professional head, since its duties are for the most part laid down by statute.

19. Operations apart, we distinguish two categories of questions affecting the police: general problems of the structure, size, organisation, powers, duties and remuneration of the force; and personal problems, such as appointments, promotions and discipline. We recognise that the former are questions of policy and require settlement in Executive Council or by the Head of State.

20. Personnel matters, however, so far as individual members of the force are concerned, are administrative in character. Later in this report we make recommendations in respect of the administration of personnel matters in the public service generally; these include the establishment of a Public Service Commission. There are, however, special considerations affecting the police force, and we therefore recommend that at an appropriate time there should be
established a separate Police Service Commission to deal with appointments, promotions and discipline in the higher ranks of the force; the Commission should be set up on a statutory basis and should have executive authority. Its functions and membership are set out in Appendix C.

21. In preparation for the setting up of a Police Service Commission with executive powers we agree that there should be instituted for the police, as soon as the necessary administrative arrangements can be made, a body parallel to the present Appointments and Promotions Board which has for some years operated for other branches of the public service; it should be set up by administrative action and should have the same advisory functions. Use might be made of the facilities, and to some extent the membership, of the present Board, always bearing in mind the special needs of the police service. By this means valuable experience could be obtained and time would be afforded for the police force itself to gain confidence in this new machinery before personnel matters become the province of a Commission with executive powers.

22. We make no specific recommendations on the exact date on which the Police Service Commission should be set up. This should be considered in due course by the Federation Government in consultation with its professional advisers, in the light of the circumstances of the Emergency then prevailing. There are, however, strong grounds in favour of synchronising action with that taken for the rest of the public service.

23. In accordance with the recommendations which we have made later in this report for dealing with premature retirement, the compensation scheme applicable to the public service as a whole should be applied to the police force as soon as the Police Service Commission is set up.

24. We considered the question of the Malayanisation of the police force, to the extent that it was possible to do so in advance of the findings of the Committee which is now at work on the problem in Malaya. In general we agree that for the purposes of the police force such a policy should be effected—

(a) by controlling entry into the force, according to present practice;

(b) as regards personnel already in the force, by observing the normal service principles for promotion and by relying for increased opportunities for promotion of Malayan Officers on the operation of the scheme for premature retirement set out later in the report.

25. In the final stage a fully self-governing Federation of Malaya will be responsible for external defence as for all other functions of government. We have agreed, however, that at that time there shall be an agreement between Her Majesty's Government in the United Kingdom and the Government of a fully self-governing Federation making provision for defence requirements and mutual assistance in defence matters.

**Defence and Mutual Assistance Treaty**

26. The Government of the Federation of Malaya will afford to Her Majesty's Government in the United Kingdom the right to maintain in the Federation the forces necessary for the fulfilment of Commonwealth and international obligations; and Her Majesty's Government in the United Kingdom will undertake to assist the Government of the Federation in the external defence of its territory. Her Majesty's Government in the United Kingdom will continue to be afforded facilities needed in the Federation for the maintenance and support of these forces; they will include the Commonwealth Strategic Reserve, which would remain in the Federation. Provision will be made for consultation by Her Majesty's Government with the Federation Government in regard to the exercise of their rights under the Treaty.

27. We agree that the details of this Treaty should be studied and worked out by a Working Party in the Federation to be set up as soon as possible consisting of a number of representatives of Her Majesty's Government on the one hand and the same number of representatives of the Conference of Rulers and the Federation Government on the other. We consider that the Commissioner General for the
United Kingdom in South East Asia should be Chairman, and that the Australian and New Zealand Governments should be invited to nominate observers at its meetings. The Terms of Reference of the Working Party are set out at Appendix D.

IV. FINANCIAL AND ECONOMIC MATTERS

28. On the subject of the machinery of Government relating to the administration of financial and economic affairs, we agree that the responsibility for all financial matters, including foreign exchange, at present discharged by the Financial Secretary, should be transferred at once to a Malayan Minister of Finance. We recognise that, during the interim period, the United Kingdom will possess a continuing interest in the mechanism of financial control in the Federation in order to be satisfied that the expenditure of money made available from United Kingdom funds is properly controlled, but we are satisfied that there are no objections on financial grounds to this proposal. We are also agreed that a Ministry of Commerce and Industry should be set up to take over some of the functions at present exercised by the Minister for Economic Affairs, which title would lapse.

29. We recognise that ultimate responsibility for policy will rest with the Executive Council, and we welcome the proposal to establish, under the chairmanship of the Chief Minister, an Economic Committee of the Executive Council, charged with the responsibility of coordinating economic policy and determining priorities, in the belief that such a Committee will greatly assist and strengthen the work of government.

30. We had a full and frank discussion of the Federation's position in the Sterling Area. The Malayan Delegation indicated that it was the view of their Government that membership of the Sterling Area was to the common advantage of the Federation and the other members and that it was their intention to remain in it after attaining full self-government. There was general recognition by the United Kingdom representatives of the importance of the Federation's contribution to the strength of the Sterling Area through the direct earnings of dollars from rubber and tin.

31. We discussed the question of responsibility for the Federation's foreign exchange policy with particular reference to dollar imports. We recognise that the existing arrangements for consultation between the Government of the Federation and Her Majesty's Government have on the whole worked well in practice. There was a general discussion on the common problems of the Sterling Area and it was agreed that, as long as the problem of the balance of payments of the area as a whole remained, it would be necessary for the Government of the Federation to continue to exercise restraint in its dollar expenditure in conformity with the policy generally followed by the Sterling Area. We agree that the responsibility for applying this policy in the Federation rests with the Federation Government and that the Federation Government will continue to consult with Her Majesty's Government so that it can act in full knowledge of Sterling Area problems and the United Kingdom can be fully informed of the special problems of the Federation.

32. In view of the Federation's participation in the Sterling Area and the importance of its trade to the Area's strength, it was agreed that the Federation Government must be able to assure the people of the Federation that the voice of their elected representatives would be heard in matters of Sterling Area policy. We agreed that, in order to achieve this, it was desirable that arrangements should be made for the Government of the Federation to send a delegate to all future meetings of Commonwealth Finance Ministers on a basis which would enable him to have full freedom of expression and full discretion at such Conferences in all matters within the responsibility of the Federation Government. The Federation Delegation agreed not to press the matter of the precise constitutional status of the Federation's delegate at such Conferences further at the present time, but it was agreed that the Federation Government would be entitled to raise it again should occasion arise later.

33. We recognise the important part which overseas capital must continue to play in the economic and social development of Malaya. In this connection we think it desirable to draw attention to the statement in the Alliance Manifesto that it is their policy to attract overseas capital to Malaya. This was given more detailed expression in the High Commissioner's statement in the
Legislative Council on the 30th November, 1955, in which he stated that the Federal Government looked with confidence to the establishment of happy relationships and a full sense of partnership between a fully self-governing Malaya and overseas industry and enterprise genuinely interested in the development on sound lines of the country's productive resources. To this end it was, and would remain, their policy to encourage overseas investment, industry and enterprise to look to Malaya with every assurance of fair and considerate treatment and without fear of discrimination. The relevant extract from the High Commissioner's address is contained at Appendix F.

34. Regarding the future financial relationship between the United Kingdom and the Federation of Malaya, we agree that it is most important that the Federation should go forward to full self-government in circumstances which will give a fair assurance of its future financial stability. In this context, we recognise fully the vitally important position of the Federation in the world-wide struggle against communism and the fact that operations in the military sphere must be backed by a sound and vigorous programme of economic and social development.

35. During the interim period Her Majesty's Government will be prepared to help the Federation should it become clear that, having regard to the necessity for the Federation Government to make provision for an expanded programme of economic and social development and to the need to maintain reserves at the right level as a precaution against possible fluctuations in the prices of rubber and tin before the Federation's rubber replanting schemes bear fruit, there is a need for financial assistance from the United Kingdom towards the cost of the Emergency. To this end we agree that a meeting should be held as soon as possible between the United Kingdom and Federation Governments with a view to determining the necessity for such assistance.

36. It is recognised that the attainment of full self-government implies the principle of financial self-sufficiency. Nevertheless, Her Majesty's Government recognise the common interest of both Governments in bringing the Emergency to an end. For this reason, if the Emergency has not been brought to an end by the time that full self-government and independence within the Commonwealth is attained, Her Majesty's Government will still be prepared to consider with the Federation Government whether the financial needs of the Federation would justify special assistance from Her Majesty's Government towards meeting the cost of the Emergency over and above the substantial assistance which will continue to be given through the forces and services provided by the United Kingdom to sustain the fight against the Communist terrorists.

37. In any event, substantial help will still be available from the United Kingdom after the attainment of full self-government within the Commonwealth, as follows:

(i) Apart from their continuing commitments in respect of its external defence, Her Majesty's Government will maintain their undertaking to finance certain capital costs of expansion of the Federation Armed Forces in an agreed programme;

(ii) Her Majesty's Government will at all times be ready to examine sympathetically with the Federation its borrowing needs on the London market in connection with its development plans;

(iii) If, at the time when the Federation attains full self-government within the Commonwealth, there is any unspent balance of allocations made to the Federation under the Colonial Development and Welfare Acts, the approval of Parliament will be sought to enable an amount equivalent to any such balance to be made available to the Federation for development expenditure;

(iv) Her Majesty's Government will stand by their undertaking to provide assistance, subject to the approval of Parliament in the form of a loan to the Federation to enable it to finance its contribution to the Tin Buffer Stock should it be unable to obtain the necessary loan finance from any other suitable source.
38. We accept the thesis that in a self-governing country the public service must be solely under the authority of the government of that country and that there can be no question of any external control. In these circumstances, we wish to place on record certain principles which we consider should guide any government in exercising control of its public service.

39. An efficient and contented public service is an essential foundation of good government. This may be said to apply at all stages of constitutional development and it is of particular importance during a time of rapid political change. Ministers must be able to rely on receiving informed and impartial advice from experienced officials before reaching policy decisions. They must equally be able to rely on their officials to see that their policy decisions, once taken, are carried out with loyalty, speed and efficiency.

40. The first essential for ensuring an efficient administration is that the political impartiality of the public service should be recognised and safeguarded. Experience has shown that this is best secured by recognising the service as a corporate body owing its allegiance to the Head of State and so retaining its continuous existence irrespective of changes in the political complexion of the government of the day. The public service is necessarily and rightly subject to ministerial direction and control in the determination and execution of government policy, but in order to do their job effectively public servants must feel free to tender advice to Ministers, without fear or favour, according to their conscience and to their view of the merits of a case. Whether or not that advice is taken is entirely for Ministers to decide but, once decisions have been taken, it is the undoubted duty of the public servant to give his prompt and wholehearted cooperation in carrying them out. The essential role of the public service would be gravely impaired if its members had any cause to feel that their personal position or prospects might be affected as a result of the advice which they felt it their duty to give. In order to discharge their role effectively, public servants should know that their service conditions and prospects are not subject to political or personal influence of any kind. This is not least in the interests of Ministers and politicians themselves.

41. A public service is rightly regarded as a profession holding out prospects of a career covering the working life of its members. One of the most essential ingredients of a contented and efficient service is that promotions policy should be regulated in accordance with publicly recognised professional principles. The Service must feel confident that promotions will be determined impartially on the basis of official qualifications, experience and merit. Any departure from these principles which might suggest that promotions were in any way subject to political or other outside influence, or that extraneous considerations were being taken into account which were designed to give special preference to particular individuals or sections in the Service, would be certain to undermine Service morale.

42. Similarly, a reasonable security of tenure and an absolute freedom from the arbitrary application of disciplinary provisions are essential foundations of a public service. Without them, a service would fail to attract and retain sufficient officers of the requisite calibre and Ministers would not be able to depend on receiving frank and objective advice. Disciplinary provisions, including the power to dismiss an officer on grounds of misconduct or gross inefficiency are, of course, necessary in any service but it is generally accepted that these provisions should be applied with complete impartiality and in accordance with established service principles and procedures, and should be recognised by the Service as a whole as both fair and fairly exercised.

43. The most generally accepted method of ensuring the observance of the foregoing principles is by the establishment of an independent Public Service Commission. There is already a Public Service Appointments and Promotions Board in the Federation of Malaya, and the establishment of a Public Service Commission is under consideration. We agree that the Commission should be established as soon as possible and that provision should be made for it in the Federation Agreement.
Details will have to be worked out in the Federation, but we agree that the following principles should be observed:

(a) it is of vital importance that the Public Service Commission should be independent and free from political influence;

(b) the members of the Public Service Commission should be appointed by the High Commissioner, in his discretion, after consultation with the Chief Minister;

(c) taking advantage of experience elsewhere, care should be taken in delineating the respective functions of the Public Service Commission and those of government in relation to the public service, the broad principle being that the government and legislature are necessarily responsible for fixing establishments and terms of employment while the Public Service Commission is charged with the internal administration of the service as a professional body and with the responsibility for public service matters including appointments, promotions and the application, when necessary, of disciplinary provisions in respect of members of the public service;

(d) members should be carefully chosen to be widely representative but should be men capable of working as a team and not speaking merely for sectional interest;

(e) The Chairman should be a person who will command the respect both of government and of the Service and should be given the authority and standing necessary to establish the Commission as an important and respected national institution.

45. We have agreed that the Public Service Commission should exercise its responsibilities in respect of all branches of the service other than the Judiciary and the Police. We have agreed to the establishment of a Judicial Service Commission (Appendix B) and a Police Service Commission (Appendix C). The confirmation scheme outlined later in the Report will apply to the Judiciary as well as to other branches of the public service.

46. In view of the political development of the Federation, the Public Service Commission should be given executive powers as soon as it is established. By "executive powers" we mean that the High Commissioner would act on the Commission's recommendations, although, in the light of experience elsewhere, we think it would be prudent for him to have the right to refer back, once and once only, any recommendation which in his view required further consideration.

47. It will inevitably take some time to set up the Public Service Commission as an independent statutory body. We agree that it should be formally established from the 1st July, 1957, but that, meanwhile, in order that they may gain experience, the Chairman and members should be designated and should take over in an advisory capacity the responsibilities of the existing Promotions and Appointments Board, with terms of reference, extended as necessary, to cover the subjects which will be dealt with by the Public Service Commission.

48. We consider that if their conditions of service are protected by the establishment of a Public Service Commission and it is made clear that traditional service principles will be maintained, a large proportion of overseas officers will wish to remain in the Federation and to continue to give loyal and devoted service to the country. We recognise, however, that the new circumstances brought about by constitutional change fundamentally vary the conditions under which a large section of the public service was recruited and that such officers have a right to be given the opportunity to leave the service on appropriate terms.

49. Before we elaborate our proposals on this point we think it may be helpful to define certain of the terms which we use in the following paragraphs.
"Entitled Officer" means an officer in receipt of expatriation pay who is serving (otherwise than on contract or agreement for a specified period) in a public office in the Federation of Malaya. The expression should also be taken to include any locally-dominated officer holding his appointment by approval of the Secretary of State for the Colonies who can show to the satisfaction of the Secretary of State that he has reasonable grounds for anxiety over the future of his career in the public service.

"Earned pension" means the pension or reduced pension and gratuity which an entitled officer would be eligible to receive under existing Pensions Regulations but not subject to the usual ten-year period of qualifying service.

"Additional allowance" means a supplementary pension calculated at a specified rate additional to earned pension.

"Lump-sum compensation" means the payment of a sum of money as compensation for the loss sustained by an officer on the premature termination of his career.

50. We recognise two clearly defined phases. Phase I is the situation as at present. We agree that the assumption of office by the Alliance Government in August, 1955, coupled with the break-up of the Malayan Establishment in July, 1954, constituted a major change in the conditions of service of overseas officers. We do not consider that this change in conditions is sufficiently radical to warrant payment of an additional allowance or lump-sum compensation to any officers who now wish to leave the Federation Service, but we do consider that it justifies their being allowed to go on accrued pension. We have therefore agreed that a Phase I scheme should be introduced at once and that under it an entitled officer should be allowed to retire at any time after reasonable notice and with the permission of the High Commissioner acting in his discretion, and that such permission should not be withheld unless proceedings for the officer's dismissal are being taken or are about to be taken.

51. Phase II will begin when the Public Service Commission is established with executive powers. Since this will involve a radical change in the conditions of service of the public service we agree that at that point a full lump-sum compensation scheme for loss of career should be brought into operation.

52. We have not considered it to be part of our task to attempt to draw up this scheme in detail. Not only would this not be possible in the absence of certain actuarial information but we consider that, once the principles of such a scheme have been accepted by the Federation Government, details should be worked out in the Federation in consultation with the representatives of the Staff Associations concerned. For this reason we do not wish to comment on the various points of detail which we discussed with the representatives of the Staff Associations whom we invited to give evidence during the Conference, but we consider that negotiations between the Federation Government and the Staff Associations concerned should begin at once.

53. We agree that the compensation scheme should provide that on retirement an entitled officer should receive his earned pension plus at his option either an additional allowance or lump-sum compensation. The amount of lump-sum compensation will have to be worked out actuarially having regard to certain factors such as age and, possibly, length of service, but the scheme should contain a provision whereby officers whose services it is particularly desired to retain in the Federation Service will be able during a specified period (e.g., four years) to "freeze" their entitlement to lump-sum compensation at the point in the actuarial table which is most advantageous to them during that period. We agree that the Government should also give consideration to other inducements which might be offered to officers whose services it is particularly desired to retain, in addition to the normal compensation.

54. We have agreed that the right to retire on compensation should be exercisable at their option by all entitled officers on giving due notice.

55. We have given careful consideration to the question whether, after Phase II has started, the Federation Government should be able to require officers to retire, at its discretion, or whether the compensation scheme should be entirely voluntary.
We have agreed that if officers are given the right to retire at will, it is logical that government should have the right to require officers to retire. But there is a risk that if in practice the Government makes it clear that it intends to exercise that right, many valuable officers will opt to go. Whatever inducements the Government may offer to certain officers to stay, all officers will feel that sooner or later their services may be dispensed with and many of the best, who can most easily obtain other attractive employment, are likely to leave as soon as possible. To insist on the right to dispense with the services of pensionable officers would also weaken the effect both of the other assurances which we have agreed be given regarding service conditions, promotion and discipline and of any scheme of inducement allowance. Malayanisation need not be prejudiced because, whatever assurances are given, many entitled officers are certain to opt to retire under the provisions of a compensation scheme immediately it is introduced. Others will do so later. Normal retirements on grounds of age will continue. Other officers are likely to be transferred to other territories and the Secretary of State for the Colonies will do his best to transfer any officer at the request of the Federation Government. Meanwhile, no new overseas officers will be recruited on pensionable terms unless the Federation Government specifically so request, and the existing powers to dispense with the services of officers on abolition of office or on such grounds as gross inefficiency and misconduct will remain. The practical problem which might arise is not whether there will be full scope for Malayanisation but whether it will be possible to retain and recruit enough qualified officers to provide the Federation Government with the efficient, experienced and stable administration which it will need for carrying out its policies during the coming vital years.

57. While it is recognised that a feeling of insecurity will tend to make valuable officers leave the Federation earlier than they might otherwise have done, we consider that the adoption of the scheme outlined in the next paragraph should go far to mitigate this disadvantage.

58. After consideration of various alternatives, we have agreed on the following plan:

(i) The Public Service Commission will be established with executive powers and a compensation scheme will be introduced with effect from the 1st July, 1957.

(ii) The Federation Government will assure the public service that until the compensation scheme is introduced no officer will have his services dispensed with except in accordance with traditional service principles.

(iii) During the period between the presentation of the report of the Malayanisation Committee and the 1st July, 1957, every entitled expatriate officer will be given the opportunity to say whether he wishes to be retained in the Service after the 1st July, 1957. If he states that he does, his case will be considered and he will be informed of the minimum period during which he may expect, subject to health and efficiency, to be retained. The periods will naturally vary according to the relevant circumstances, e.g. the staffing position in the officer's Department, including the availability of suitably qualified local officers, the officer's age and so forth. In some cases it will no doubt be possible to assure officers of employment up to normal retiring age; in others a term of years may be stated, with or without the possibility of further extension at the end of that term if the officer then wishes it. In other cases, it might not be possible to give the officer any assurance.
(iv) It follows that the Government will not exercise the right, except on
traditional service principles, to retire any entitled officer during any
period for which he had been promised employment; but the officer's right to
retire (subject to due notice) under the compensation scheme will remain
unaffected.

59. We have agreed that officers of Her Majesty's Oversea Civil Service and
Judiciary who remain in the Federation Service shall retain their eligibility
to be considered by the Secretary of State for transfer to other territories on the
understanding that:-

(a) the Secretary of State will not offer such officers transfers without
prior consultation with the Federation Government; and

(b) the Federation Government for its part will not unreasonably withhold its
consent to such transfers.

We further agree that, in order to facilitate the transfer of officers to posts
which, in view of the high level of salaries in the Federation, might be less well
paid than an officer's existing post, consideration should be given to a scheme
whereby an officer would receive a lump sum payment to compensate him for any drop
in pensionable emoluments on transfer.

60. It was suggested by the Staff Associations that the abolition of certain senior
posts as the result of decisions taken by the Conference would affect promo-
tion prospects and would therefore constitute a further change in their conditions
of service sufficient to warrant the immediate introduction of some measure of compen-
sation available to the public service as a whole. We are unable to accept
this contention. The Federation Government possesses and must continue to possess
the right, common to all governments, to abolish posts which are no longer required.
So long as only a limited number of specified posts are to be abolished, we do not
consider that this, in itself, would constitute a major change in the conditions of
service of overseas officers but, in order to avoid unsettling the service by opening
the door to the arbitrary abolition of an unlimited number of posts, and in
accordance with the proposals in paragraph 58, we have agreed that the only posts
to be abolished as a result of decisions taken by the Conference are those of the
British Advisers and the Financial Secretary. No further pensionable posts will
be abolished, except on clear grounds of redundancy, at least until the 1st July,
1957. Consideration will be given to applying to the holders of posts to be
abolished now any compensation terms finally agreed for the service as a whole
instead of existing abolition of office terms.

61. The Federation Government are very conscious of the difficult problem of fill-
ing those vacancies for which local officers are not yet available but for
which they will become available in a few years' time. The Malayan Delegation have
expressed the hope that arrangements can be made by Her Majesty's Government for the
creation of a central pool from which overseas officers could be made available to
fill these posts on secondment terms for so long as they may be required.

FINAL SECTION OF DRAFT REPORT BY THE
FEDERATION OF MALAYA CONSTITUTIONAL CONFERENCE,
TOGETHER WITH RELATED APPENDIX D.

VI. CONSTITUTIONAL CHANGES

62. We have arrived at certain constitutional understandings affecting the position
of the High Commissioner and Executive Council, the composition of the Executive
and Legislative Councils and the withdrawal of the British Advisers. Those affect-
ing the position of the High Commissioner and Executive Council require amendment of
Clauses 31 and 32 of the Federation Agreement, and agreed amended versions of these
Clauses are set out at Appendix E.

63. With regard to the composition of the Executive and Legislative Councils, we
have agreed that Clause 23 of the Federation Agreement shall be amended to make
provision for the office of Chief Minister and to provide that the members of

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Executive Council other than the Chief Secretary and the Attorney-General shall be appointed by the High Commissioner after consultation with the Chief Minister.

64. We have also agreed on the following ministerial changes:

(i) There will be an unofficial appointed as Minister of Finance and the Financial Secretary will cease to be a member of the Executive and Legislative Councils. There will be an additional Nominated Member to take the place of the Financial Secretary in the Legislative Council, thus increasing the number of Nominated Members from seven to eight, on the understanding that the additional seat will be used for the same purpose and appointment to it made in the same manner as apply to the other Nominated Members.

(ii) There will be a Minister for Commerce and Industry, who will be an unofficial, unless the Chief Minister should wish the post to be filled by an official, and he will take the place of the Minister for Economic Affairs.

(iii) An unofficial Minister for Internal Defence and Security will become responsible for these matters in Executive and Legislative Councils and the Secretary for Defence will cease to be a member of either Council.

65. The Chief Secretary will be responsible for matters relating to the public service, for the administrative work involved in the constitutional changes which will be taking place and for external affairs.

66. Any Executive Council Papers on external defence will be submitted by the High Commissioner, who will have a senior official to work to him on that subject. The Chief Secretary will speak in the Legislative Council on external defence and will be a member of the External Defence Committee.

67a. For the sake of greater flexibility in forming the Executive Council, the minimum number of Appointed Members will be altered from 12 to 10.

68. As a result of the changes recommended above, Clauses 23 and 36 of the Federation Agreement will need to be amended. These amendments, together with other consequential changes in Parts III and IV of the Federation Agreement, are also set out in Appendix E.

69. We have considered the timing of these changes and have agreed that, where no amendment of the Federation Agreement or other legislation is required, they should be made as soon as possible after our recommendations have been approved by Her Majesty's Government and the Conference of Rulers. We also agree that the proposed changes in the Executive Council and Legislative Council should be made as soon as the Federation Agreement can be amended to permit of them. Until these amendments have been made the composition of these Councils will remain unaltered.

70. The Conference considered the request of the Malayan Delegation for the withdrawal of the British Advisers. It was explained that the collective view of Their Highnesses the Rulers was that the time had come when the British Advisers should be withdrawn. Her Majesty's Government do not wish to oppose this view.

71. We have agreed in principle that, subject to the concurrence of Their Highnesses the Rulers, the British Advisers will be withdrawn. This will involve amendment of the State Agreements, and consequential amendments to the State Constitutions and the Federation Agreement. Subject to the agreement of the Rulers it is desirable that all the State Agreements shall be amended at the same time, but provision will be made to enable the amendments to come into force on different dates.
72. The date for withdrawal of each of the British Advisers will be agreed by
the High Commissioner and each individual Ruler in the light of the circum­
stances in each case, though it is understood, subject to the agreement of the
Ruler concerned, that the withdrawal will be completed within about a year.

73. In accordance with the agreements set out earlier in this Report, provision
should be made in the Federation Agreement for:

(a) an independent Public Service Commission with executive authority;
(b) an independent Judicial Service Commission with executive authority;
(c) an independent Police Service Commission with executive authority;
(d) a compensation scheme for loss of career;
(e) the Federation Armed Forces Council.

In respect of each of the Commissions detailed provisions not appropriate for
inclusion in the Federation Agreement itself should be made by regulation or
rule. We think that such regulations or rules should be made by the Commission
concerned and approved by the Executive Council.

Constitutional Commission

74. We have agreed upon recommendations for the composition and terms of
reference of an independent Constitutional Commission and that this Commission
should be appointed as soon as possible. In accordance with previously accepted
procedure, these recommendations are being submitted to Her Majesty the Queen and
to the Conference of Rulers. The final decisions will be published later.

75. We have further agreed that, in view of the Malayan Delegation's desire that
full self-government and independence within the Commonwealth should be
proclaimed by August, 1957, if possible, a constitution so providing shall be
introduced at the earliest possible date consistent with the importance of the
task before the Constitutional Commission and that every effort will be made by
Her Majesty's Government and the Federation Government to achieve this by the time
proposed.
Signed, this eighth day of February, 1956:

Alan Lennox-Boyd
Bukit Cantang
T. A. Rahman

John Hare
Abdul Aziz
H. S. Lee

N. A. Kamil
Ismail A. Rahman

Donald MacGillivray

Seth bin Sa'aid
Abdul Razak

D. A. Scott, Secretary-General

Lancaster House,
London, S.W.1.

8th February, 1956.
APPENDIX A
LIST OF THOSE TAKING PART IN THE CONFERENCE

DELEGATES

FEDERATION OF MALAYA

Representatives of Their Highnesses the Rulers

The Hon. Dato/Hanglima Hukit Gantang,
Dato Haji Abdul Wahab bin Tch Muda
Abdul Azia

The Hon. Enche Abdul Aziz
bin Haji Abdul Majid

Dato Nik Ahmed Kamal bin Haji Mahmood, D.K.,
S.P.M.K., F.Y.G.P., C.B.E.

The Hon. Dato Mohamed Seth bin
Mohamed Sa'aid, S.P.M.J., F.I.S.,

En the Abdul Kadir

Alliance Ministers

The Hon. Yang Teramat Mulia
Tunku Abdul Rahman Putra ibni
Almarhum Sultan
Abdul Hamid Halim Shah

The Hon. Col. H. S. Lee, C.B.E., J.P.
The Hon. Dr. Ismail bin Dato Abdul Rahman

The Hon. Dato Abdul Razak bin Dato Hussein

Mr. T. H. Tan

UNITED KINGDOM

The Rt. Hon. Alan Lennox-Boyd, M.P.

The Rt. Hon. John Hare, M.P.

Sir Charles Jeffries, K.C.M.G., O.B.E.

Sir Hilton Poynton, K.C.M.G.

Sir John Martin, K.C.M.G., C.B., C.V.O.
ADVISERS

FEDERATION OF MALAYA

Lord Ogmore
Mr. C. J. Thomas
Mr. O. A. Spencer

UNITED KINGDOM

Sir Richard Powell, K.B.E., C.B., C.M.G.
Major-General W. G. Stirling, C.B.E., D.S.O.

Mr. F. Malville, C.M.G.

Mr. A. R. Thomas, C.M.G.

Mr. C. Y. Carstairs, C.M.G.

Mr. A. M. MacKintosh

Mr. A. D. Peck

Mr. R. C. G. Hunt

Mr. A. I. M. Cary

and other advisers

LEGAL ADVISERS

Sir Kenneth Roberts-Wray, K.C.M.G.

Mr. A. R. Rushford

HIGH COMMISSIONER FOR FEDERATION OF MALAYA AND ADVISERS

Sir Donald MacGillivray, K.C.M.G., M.B.E.
Sir David Waterston, K.B.E., C.M.G.

Mr. N. J. P. Hogan, C.M.G.

PRESS OFFICER

Mr. R. V. Francis

SECRETARIAT

Mr. D. A. Scott, Cabinet Office

Mr. J. N. A. Armitage-Smith, Colonial Office

Mr. J. E. Howard-Drake, Colonial Office

Mr. R. W. Newsam, Colonial Office

Financial Secretary
Minister for Economic Affairs

Deputy Secretary,
Ministry of Defence

Principal Staff Officer to
Chairman, Chiefs of Staff
Committee

Assistant Under-Secretary of
State, Colonial Office

Assistant Under-Secretary of
State, Colonial Office

Assistant Under-Secretary of
State, Colonial Office

Assistant Secretary,
Commonwealth Relations Office

Assistant Secretary, Treasury

Assistant Secretary, Colonial Office

High Commissioner for the
Federation of Malaya

Chief Secretary,
Federation of Malaya

Chief Justice of Hong-Kong
(late Attorney-General of the
Federation of Malaya)
We agree that a Judicial Service Commission, having functions appropriate to the special circumstances of the Judiciary, shall be set up by the same kind of constitutional or legislative provision as that applying to the Public Service Commission.

2. Having regard to the high constitutional importance of maintaining the independence of the Judiciary, the Judicial Service Commission should be composed mainly of judges, though there would be no objection to including a retired judge provided he was not a member of the Executive. The Commission could with advantage also include the Chairman of the Public Service Commission.

3. We therefore agree that the Judicial Service Commission in the Federation of Malaya should consist of the Chief Justice as Chairman, the senior Puissance Judge, the Chairman of the Public Service Commission, and one or more other persons nominated by the Chief Justice, each of whom shall be either a judge or a retired judge who is not a member of the Executive.
We agree that a Police Service Commission shall be set up by the same kind of constitutional or legislative provision as that applying to the Public Service Commission.

2. The Commission will be appointed by the High Commissioner in his discretion, after consultation with the responsible Minister, as follows:—

(i) as Chairman, for a specific term of years, an independent person of high standing who has taken no recent active part in politics;

(ii) as members, persons of no pronounced political affiliations;

(iii) one or more persons possessing legal qualifications, to be appointed after consultation with the Chief Justice.

3. The functions of the Commission will be:—

(a) to deal with the appointments and promotions of members of the police force of the rank of Inspector and above, save only that the appointment of the Commissioner and Deputy Commissioners of Police will be a matter for the High Commissioner in his discretion after consultation with the Minister responsible.

(b) to deal with serious breaches of discipline by gazetted officers.

(c) to deal with disciplinary appeals where a right of appeal exists against the decision of the Commissioner of Police.

4. The disciplinary functions of the Commission will be without prejudice to any right of appeal to the Head of State which may be prescribed.

5. The Commission will work on general instructions contained in the instrument establishing it, supplemented in detail by regulations laid down from time to time by the Commission with the approval of the High Commissioner in Executive Council.
APPENDIX D

TERMS OF REFERENCE OF WORKING PARTY ON
TREATY OF DEFENCE AND MUTUAL SECURITY

"To consider and make recommendations on the detailed provisions of a Treaty of Defence and Mutual Assistance between Her Majesty's Government in the United Kingdom and the Government of an independent Federation of Malaya, bearing in mind the following general principles:

The Federation Government

(a) will afford to Her Majesty's Government in the United Kingdom the right to maintain in the Federation the forces necessary for the fulfilment of Commonwealth and international obligations;

(b) will continue to afford to Her Majesty's Government facilities needed in the Federation for the maintenance and support of these forces, which would include the Commonwealth Strategic Reserve;

Her Majesty's Government in the United Kingdom

(c) will undertake to assist the Federation Government in the external defence of its territory.

(d) will consult the Federation Government in regard to the exercise of their rights under the Treaty."
APPENDIX E

AMENDMENTS TO THE FEDERATION AGREEMENT

Revised Clause 31

"31. The High Commissioner shall be entitled, and any member of the Federal Executive Council shall, in respect of matters within his responsibility, also be entitled, to submit questions to the Federal Executive Council. Such member shall, when submitting such question, give notice thereof to the High Commissioner."

Revised Clause 32

"32. (1) The High Commissioner shall, subject to the provisions of this Clause, act in accordance with the advice of the Federal Executive Council.

(2) If in any case the High Commissioner considers it expedient in the interests of public order, public faith or good government of the Federation that he should not act in accordance with the advice given to him by the Federal Executive Council, then, subject to the provisions of sub-clause (3) of this Clause, he may act otherwise than in accordance with their advice.

(3) (a) Before acting otherwise than in accordance with the advice given to him by the Federal Executive Council on any matter, under sub-clause (2) of this Clause, the High Commissioner shall seek the views of the Chief Minister.

(b) If the Chief Minister so requests, the High Commissioner shall refer the matter to the Secretary of State, and shall transmit to the Secretary of State any communication that the Chief Minister may wish to make thereon, and in that event the High Commissioner shall not act otherwise than in accordance with the advice given to him by the Federal Executive Council without the prior approval of the Secretary of State:

Provided that if in the opinion of the High Commissioner the interests of public order, public faith or good government of the Federation are such that the matter is too urgent to permit the obtaining of the prior approval of the Secretary of State he may act otherwise than in accordance with the advice given to him by the Federal Executive Council without such approval, in which case he shall transmit to the Secretary of State at the first opportunity a report of the matter, giving the reasons for his action, and any views the Chief Minister may wish to express thereon.

(a) Nothing in this Clause shall apply to matters relating to external defence and external affairs.

(b) In this Clause the expression "public order, public faith or good government of the Federation" shall, without prejudice to its generality, include the matters specified in sub-clause (1) of Clause 19 of this Agreement.

Revised Clause 23

"23. (1) The members of the Federal Executive Council shall be -

(a) Two ex officio Members, that is to say, the Chief Secretary and the Attorney General; and

(b) Such Appointed Members as may be appointed under sub-clause (2) of this Clause;

(2) (a) There shall be such number of Appointed Members, not being less than ten or more than twenty-four, as the High Commissioner shall think fit, who shall be appointed by the High Commissioner by Instrument under the Public Seal.

(b) Of the Appointed Members, one shall be styled the Chief Minister, and the High Commissioner shall consult the Chief Minister before appointing the remaining Appointed Members."
Other Amendments to Parts III and IV

Clause 26, sub-clause (1)(c):

Delete: "more than one of the three officers specified in Clause 23."
Substitute: "both the officers specified in sub-clause (1) of Clause 23."

Clause 36, sub-clause (2):

Delete: "three"
Substitute: "two"
Delete: "thirty two"
Substitute: "thirty three"

Clause 37:

Delete and substitute: "The ex officio Members shall be the Chief Secretary and the Attorney General."

Clause 39, sub-clause (1)(c):

Delete: "seven Members"
Substitute: "eight Members"

Clause 43, sub-clause (1)(a), second line:

Delete: "more than one of the three officers"
Substitute: "both the officers"
APPENDIX E

OVERSEAS INVESTMENT

EXTRACT FROM THE ADDRESS OF HIS EXCELLENCY THE HIGH COMMISSIONER

DELIVERED TO THE FEDERAL LEGISLATIVE COUNCIL ON

NOVEMBER 30TH, 1955

"...I am glad to say that Malaya has always enjoyed a good reputation in the past as a reliable and creditworthy borrower, and to affirm that it is, and will remain, the policy of the present Government to maintain that reputation."

"While I am discussing such issues... there is another matter to which I should refer, and that is the role of overseas capital and private enterprise in the present and future development of the country. It is common knowledge that external capital and private enterprise have played a conspicuous part in the development of the Malayan economy, and it is no less than my duty at the present time of change and evolution in our political and constitutional affairs to make it clear that the Federation Government willingly recognises the contribution which overseas capital and enterprise have made... to the economic and social well-being of the country as a whole."

"It is also the view of the Federation Government - and I would remind you that I speak today on behalf of the Government as now constituted - that such capital and enterprise have no less an important role to play in a new and independent Malaya of the future. It is therefore, and will remain, the policy of the Government to accord such industry and enterprise fair and considerate treatment; to foster an atmosphere in which the overseas investor who is genuinely concerned with the development on sound lines of the country's productive resources can invest and conduct undertakings in this country without fear of discrimination or unfairness; and, last but not least, to continue the present policy whereby the overseas investor can, after payment of local taxes and obligations, remit to his country, within the framework of ordinary and reasonable Exchange Control requirements, funds for the payment of dividends and for the repatriation of his capital."

"In return, the new Government looks with confidence to those overseas enterprises which work in this country to identify themselves closely with the interests, aspirations and sentiments of the new and self-governing Malaya of the future; that is, to take examples, by training young Malaysians for technical and managerial posts; by re-investing in this country a reasonable proportion of profits earned in years of prosperity; and, finally, by transferring to Malaya wherever possible the effective seat of direction of undertakings whose sole or principal seat of activity is in this country."

"..."
The Committee considered the establishment, composition and terms of reference of a Constitutional Commission in the light of the proposals submitted by the Malayan Delegation.

The Committee recommend:

(10) In view of the Malayan Delegation's desire that independence and full self-government within the Commonwealth should be proclaimed by August, 1957, if possible, a constitution so providing should be introduced at the earliest possible date consistent with the importance of the task before the Constitutional Commission and every effort should be made by Her Majesty's Government and the Federation Government to achieve this by the time proposed. A paragraph to this effect should be inserted in the Report of the Conference.

(19) The Constitutional Commission should be a small body selected by the Secretary of State for the Colonies in agreement with the Conference of Rulers and the Alliance Ministers. It should have a United Kingdom Chairman and in addition to the Chairman one member from each of the following Commonwealth countries:-

Australia, Canada, India, Pakistan and the United Kingdom.

(20) The Secretary of State should be invited to approach the Governments concerned requesting them to put forward the names of suitable persons.

(21) The Constitutional Commission should be appointed in the name of Her Majesty The Queen and Their Highnesses the Rulers.

(22) The terms of reference of the Constitutional Commission should be as follows:

"To examine the present constitutional arrangements throughout the Federation of Malaya, taking into account the positions and dignities of Her Majesty The Queen and of Their Highnesses the Rulers: and

To make recommendations for a federal form of constitution for the whole country as a single, independent, self-governing unit within the Commonwealth based on Parliamentary democracy with a bi-cameral legislature, which would include provision for:"
(i) the establishment of a strong central government with the States and Settlements enjoying a measure of autonomy (the question of the residual legislative power to be examined by, and to be the subject of recommendations by, the Commission) and with machinery for consultation between the central government and the States and Settlements on certain financial matters to be specified in the Constitution;

(ii) the safeguarding of the position and prestige of Their Highnesses as constitutional Rulers of their respective States;

(iii) a constitutional Yang di-Pertuan Besar (Head of State) for the Federation to be chosen from among Their Highnesses the Rulers;

(iv) a common nationality for the whole of the Federation;

(v) the safeguarding of the special position of the Malays and the legitimate interests of other communities."
ANNEX C

NOTES ON THE MAIN CONCLUSIONS AND
RECOMMENDATIONS OF THE CONFERENCE

I. GENERAL

As a result of the Conference, constitutional development in the Federation of Malaya over the next few years will pass through two phases. The first phase, which the Report of the Conference refers to as "the interim period", is that before the Federation attains full self-government within the Commonwealth. The second phase is that following the attainment of full self-government within the Commonwealth. It will be convenient to deal with the conclusions and recommendations of the Conference under these two heads.

II. THE INTERIM PERIOD


(a) The Reserved Legislative Power

This remains unchanged.

(b) The Reserved Executive Power

The High Commissioner will in future act on the advice of the Executive Council unless he considers it expedient in the interest of public order, public faith or good government to reject their advice. Before acting contrary to their advice he must obtain the prior approval of the Secretary of State, and give the Chief Minister an opportunity to make representations to the Secretary of State, unless he considers that the interests of public order, public faith or good government are too urgent, in which case he may act against the advice of the Executive Council without any prior approval. These arrangements do not apply to matters relating to external defence and external affairs, in which the High Commissioner will retain complete discretion.


(a) Defence

Responsibility for external defence will remain entirely with the High Commissioner, but in order to prepare for the assumption by the Federation Government of responsibility for external defence, there will during the interim period be an External Defence Committee, including Malayan Ministers, with the High Commissioner as Chairman, to discuss matters relating to the external defence of the Federation. It will have no executive powers and will be purely advisory to the High Commissioner.

(b) Internal Security

A Malayan Minister for Internal Defence and Security will assume responsibility for the administration of the police force and the Federation armed forces. So long as the Emergency continues, operational command
of the police force and the Federation armed forces will remain with the Director of Operations. The present Director of Operations Committee will, however, be replaced by an Emergency Operations Council, with the Minister for Internal Defence and Security as Chairman and the Director of Operations among its members. A Police Service Commission will be set up to deal with appointments, promotions and discipline in the higher ranks of the police force. It will be completely free from political influence. For the administration of the Federation armed forces there will be set up, under the Chairmanship of the Minister for Internal Defence and Security, a Federation Armed Forces Council modelled upon the Army and Air Councils in the United Kingdom.


(a) Minister of Finance

The Financial Secretary, at present a member of Her Majesty's Oversea Civil Service, will be replaced by a Malayan Minister of Finance.

(b) Exchange Control

The Federation Government will continue to regulate its dollar expenditure in general conformity with the policy followed by the Sterling Area and in consultation with Her Majesty's Government.

(c) Financial Assistance

This will continue on the same lines as at present.


(a) Public Service Commission

A Public Service Commission with executive authority will be set up from 1st July, 1957, to deal with appointments, promotions and discipline in the Public Service. It will be independent and free from political influence. Before that date the present Public Service Appointments and Promotions Board will remain advisory to the High Commissioner.

(b) Compensation Scheme

A scheme will be introduced in two phases. Until 1st July, 1957, members of Her Majesty's Oversea Civil Service will be permitted to retire on earned pension even if they have not served for the ten years normally required for pension purposes. After that date they will be free to retire when they will and entitled to lump-sum compensation in addition to their earned pension. It will also then be open to the Federation Government to dispense with an oversea officer's services on payment of the due compensation and pension. The scheme contains various other elements, but those are its main lines.


(a) The High Commissioner's Powers

See (1) above.
(b) The Executive Council

The Financial Secretary will be replaced by a Malayan Minister of Finance (see (3)(a) above). The Secretary for Defence will disappear and matters of external defence will be handled by the High Commissioner himself, matters of internal security being handled by the new Minister for Internal Defence and Security. The Minister for Economic Affairs (at present a member of Her Majesty's Oversea Civil Service) will be replaced by a Minister for Commerce and Industry, who may be either an unofficial or an official. The Chief Secretary and Attorney-General will continue to remain members of Her Majesty's Oversea Civil Service and to have seats in the Council.

(c) The Legislative Council

There will be no significant change except in consequence of the changes noted in (b) above.

(d) The British Advisers

The British Advisers to the Rulers will be withdrawn within about a year's time. Their functions have already been overtaken by constitutional change and they no longer have an essential part to play in the administration of the Federation. There was therefore no good ground for opposition to the collective view of Their Highnesses the Rulers and Alliance Ministers that the British Advisers should be withdrawn.


(1) Composition

The proposed composition of the Commission is set out in Annex B. The Lord Chancellor very kindly agreed that Lord Reid should be invited to be Chairman and he has accepted. The United Kingdom member seems likely to be Sir Ivor Jennings, Master of Trinity Hall, Cambridge. The Governments of the other Commonwealth countries concerned are being approached through our High Commissioners with requests to suggest suitable members.

(2) Terms of Reference

The terms of reference are set out in Annex B.

There was some difficulty with the Malayan Delegation about the position of Her Majesty the Queen in relation to the British Settlements of Penang and Malacca, but the Conference ultimately recorded a clear understanding that nothing in the terms of reference should be taken to preclude the recommendations of the Commission on this matter. It was also clearly understood by the Conference that (iv) of the terms of reference will not preclude the Commission from recommending that British subjects and subjects of the Rulers should retain their status as such even if they acquire the proposed common nationality for the whole of the Federation.

(3) Timing

It was agreed that the Commission should be set up as soon as possible and that every effort should be made to avoid delay in the introduction of full self-government. The Alliance had committed themselves
so deeply over the date of August, 1957, in this connection that it simply had to be accepted as the aim. The Malayan Delegation explicitly recognised, however, that this aim was almost certainly unattainable, and that it was very unlikely that full self-government could be introduced before the spring of 1958 at the earliest. Tunku Abdul Rahman firmly stated that he and his colleagues would - and could successfully - defend any delay beyond August, 1957. The composition of the Commission should help in avoiding any criticism on grounds of delay.

IV. FULL SELF-GOVERNMENT

(1) Defence and Internal Security

(a) Defence

A Working Party under the Chairmanship of the Commissioner-General for the United Kingdom in South East Asia will be set up as soon as possible to prepare a treaty of defence and mutual assistance between Her Majesty's Government and the Federation Government. It was agreed that the Australian and New Zealand Governments should be invited to nominate observers at its meetings. Its terms of reference are:

"To consider and make recommendations on the detailed provisions of a Treaty of Defence and Mutual Assistance between Her Majesty's Government in the United Kingdom and the Government of an independent Federation of Malaya, bearing in mind the following general principles:

The Federation Government:

(a) will afford to Her Majesty's Government in the United Kingdom the right to maintain in the Federation the forces necessary for the fulfilment of Commonwealth and international obligations;

(b) will continue to afford to Her Majesty's Government facilities needed in the Federation for the maintenance and support of these forces, which would include the Commonwealth Strategic Reserve:

Her Majesty's Government in the United Kingdom:

(c) will undertake to assist the Federation Government in the external defence of its territory;

(d) will consult the Federation Government in regard to the exercise of their rights under the Treaty".

The intention is that the Treaty should be signed when full self-government is introduced. The agreement reached in the Conference meets in full the requirements which we had set ourselves beforehand.

(b) Internal Security

It was agreed that, even after the attainment of full self-government, it would be essential that the present effective security intelligence machine should retain its efficiency, and also that, in view
of its importance in the field of external defence as well as of internal security, its working would remain a matter of joint concern to Her Majesty's Government and to the Federation Government. The Conference decided not to include in its published Report its agreed conclusions and recommendations on security intelligence. They are contained in the Report of the Defence and Internal Security Committee of the Conference).

(2) Financial and Economic Matters

(a) Financial Assistance

It was recognised that the attainment of full self-government implied the principle of financial self-sufficiency, but it was agreed that certain particular measures of financial assistance by Her Majesty's Government would continue to be available to the Federation Government even after full self-government had been attained, and that, if the Emergency had not by then been brought to an end, Her Majesty's Government would still be prepared to consider with the Federation Government whether the financial needs of the Federation would justify special assistance from Her Majesty's Government towards meeting the cost of the Emergency over and above the substantial assistance which will continue to be given through the forces and services provided by the United Kingdom to sustain the fight against the communist terrorists.

(b) Overseas Investment

The Conference recorded the repeated assurance by the Malayan Delegation that it would remain the policy of the Federation Government to encourage overseas investment, industry and enterprise to look to Malaya with every assurance of fair and considerate treatment and without fear of discrimination. This included continuation of the present policy whereby the overseas investor could, after payment of local taxes and obligations, remit to his country, within the framework of ordinary and reasonable exchange control requirements, funds for the payment of dividends and for the repatriation of his capital.

(3) The Public Service

The arrangements for a Public Service Commission and a lump-sum compensation scheme set out in II(4) above will remain in operation.

(4) The Constitution

The constitutional pattern proposed for a fully self-governing Federation of Malaya will emerge from the work of the Constitutional Commission described in III above.
INTERNATIONAL WHEAT AGREEMENT

MEMORANDUM FROM THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD

At the meeting of the Cabinet on 13th February I raised orally the question of the attitude we should adopt at the talks on the International Wheat Agreement, which began in Geneva yesterday (C.M. (56) 12th Conclusions, Minute 5). I am circulating a copy of a minute I sent to the Prime Minister on 14th February about this. The Prime Minister approved the course suggested in it.

D. H. A.

Ministry of Agriculture, Fisheries and Food, S.W. 1,
21st February, 1956.

PRIME MINISTER

INTERNATIONAL WHEAT AGREEMENT

When I reported orally at Cabinet yesterday on the conclusions of the Economic Policy Committee you asked me to let you have a memorandum on the International Wheat Agreement and the reasons for the policy recommended by the Committee.

2. The first International Wheat Agreement came into force on 1st August, 1949, after a long period of negotiation between the main exporting and importing countries and expired on 31st July, 1953. The United Kingdom took its full part in the negotiations leading up to the Agreement and joined it with a quota representing a very high percentage of her imported wheat requirements.

3. The four years' experience showed that the Agreement had certain important defects and that partly because of this the exporting countries were able to dominate the Wheat Council set up under the Agreement. This type of Agreement was conceived in the belief that prices would move freely within the agreed price range. During the whole four-year period of the first Agreement the United Kingdom was required to pay the maximum price under the Agreement for virtually the whole of the wheat she bought under that Agreement.

4. When the time came to consider the renewal of the Agreement for a further term the United Kingdom Government took part in the negotiations and sought with the assistance of the importing countries to persuade the exporting countries to amend the Agreement in certain important respects with a view to remedying the defects which had been shown to exist as a result of the experience of the first four-year period.

5. There was however little spirit of accommodation on the part of the exporting countries. Despite this the United Kingdom expressed its willingness to take part in a renewed Agreement with an increase in the minimum price of 35 cents
(from $1.20 to $1.55) and an increase in the maximum price of 20 cents (from $1.80 to $2). This was more than generous in view of the steady increase in world wheat stocks which was taking place and which might have involved an increase in the United Kingdom's wheat import bill, largely in the form of dollars. Even these very substantial concessions however were insufficient. The exporting countries insisted upon a maximum price of $2.05 in full knowledge that the United Kingdom Government would not enter a renewed Agreement at a maximum in excess of $2. The new Agreement therefore came into force on 1st August, 1953, without the United Kingdom. The stand made by the United Kingdom Government on this matter was generally applauded in this country. There was little or no criticism of it and the Opposition did not even raise the question in the House of Commons.

6. The second Agreement has now been in force for 2½ years without United Kingdom membership. It is due to expire on 31st July, 1956, and the question of a further renewal has been under active consideration by the countries concerned. For this purpose a conference under United Nations auspices was held in Geneva in October 1955 and is due to resume again in Geneva on 20th February.

7. The United Kingdom Government took part in the October Conference on the clear understanding that in doing so it was not committed to rejoining. It emphasised that any Agreement should make a positive and effective contribution to the solution of the fundamental problem facing the world—the continuing production of wheat in excess of effective demand and the accumulation of surplus stocks.

8. Unfortunately there was no evidence in Geneva of any intention on the part of the exporting countries to recast the Agreement in such a form as to make any impact upon this basic problem.

9. Since the decision was taken in 1953 not to rejoin the International Wheat Agreement, the grain trade and the flour milling industry in this country have been decontrolled. If the United Kingdom were to rejoin the Agreement it would be necessary to reimpose on the trade a substantial measure of control over the importation and internal distribution of imported wheat.

10. If the Government is to justify to public opinion this major reversal of our domestic policy it would be necessary to demonstrate conclusively that the new Agreement provided a more effective answer to current problems than any other alternative.

11. This is not the case. The major problem facing the world in regard to wheat to-day is the continuing production in excess of effective demand and the accumulation of surplus stocks. The International Wheat Agreement would make no effective contribution to the solution of this problem for the following reasons:

(a) It contains no provisions which link the disposal of the existing surpluses to the working of the Agreement.
(b) It does nothing to discourage the continuance of production in excess of effective demand.
(c) It does nothing to encourage increased consumption.
(d) Nor are there effective provisions to ensure that prices are allowed to move freely even within the present price range in accordance with current conditions of supply and demand.

12. All these issues have been considered several times by the Economic Policy Committee since Christmas. Discussions have been arranged between officials and representatives of the Australian and Canadian Governments to inform them of the development of our ideas and to seek their views.

13. There was general agreement by both countries that the present type of Agreement does not meet the current problem. Nevertheless, they feel, as members of the present Agreement, that there is a case for renewal. They argue that with our adherence the present Agreement would have a stabilising psychological influence on the world wheat market.

14. We are satisfied however that the Agreement itself is not the vital stabilising factor. It is the monopoly selling organisations in the three exporting countries which, with the backing of the Governments concerned, have been able
to hold world wheat prices. These arrangements owe nothing to the existence of a Wheat Agreement.

15. Furthermore, the insistence of some of the exporting countries on maintaining the present minimum price of $1.55 for a renewed Agreement shows that there is no possibility of negotiating any price provision which would make an impact upon the surplus problem. A price of this level is quite unrealistic in to-day's supply conditions. But any serious attempt to negotiate a more realistic minimum price—and still more to make that the effective price—would lead to a bitter wrangle with the Canadians without any prospect of agreement.

16. Both the Canadians and Australians emphasise the need for a frank statement from the United Kingdom. Nothing would do us more harm with the Canadians and the Australians than to seek to escape from the Agreement by insisting on conditions which we know from the outset would be unacceptable. I believe that Mr. Howe told you that, as was apparent, we did not intend to rejoin the International Wheat Agreement he thought it preferable for us to say so outright and save time in discussion.

17. When the Economic Policy Committee met yesterday it had before it a report on the discussions with the Canadians and the Australians. The Committee reached the conclusion that our right course was to decline to readhere to an Agreement of the present type. They felt however that we should make a determined effort at Geneva to persuade the exporting countries and other importing countries to face the real problem. It cannot be solved by a continuation of what is no more than a multilateral commercial Agreement—what is needed is an Agreement by Governments to amend their wheat policies in such a way as to remove the threat to order and stability which is implicit in the present situation.

18. We propose therefore to suggest at Geneva that the International Wheat Council should in future fill a dual role. It would continue to manage an International Wheat Agreement of the present type for such countries as chose to take part in such an Agreement. But it would also provide a standing forum for the realistic discussion of international wheat problems in general including the evolution of a set of internationally agreed rules in regard to the disposal of the present surplus and of policies designed to bring wheat production into line with demand and so to prevent the accumulation of further surpluses.

19. I believe that it is no more than our international duty as the biggest importing country in the world to make this attempt to resolve the serious problem which faces the world in this matter and I do not despair of success.

20. The Economic Policy Committee agreed yesterday that we should announce at the first session of the resumed Conference on 20th February our decision not to readhere to an Agreement of the present type and to put forward as a constructive proposal our conception of the International Wheat Council as a world forum for the discussion of international wheat problems and to indicate our willingness to participate fully in its discussions.

21. I recommend that you should approve these conclusions.

22. I am sending copies of this minute to the Chancellor of the Exchequer, the Secretary of State for Foreign Affairs, the Secretary of State for Commonwealth Relations, and the President of the Board of Trade.

D. HEATHCOAT AMORY.

Minister of Agriculture, Fisheries and Food,
14th February, 1956.
THE TERRITORIAL ARMY

MEMORANDUM BY THE SECRETARY OF STATE FOR WAR

I am most reluctant to bother the Cabinet with such a minor question, but I am in a position of considerable difficulty about a bounty for officers of the Territorial Army.

2. About December, 1955, a proposal was put to the Treasury that both officers and other ranks who were volunteers in the Territorial Army should have an annual bounty of £20. This proposal was accepted by the Treasury in principle but it was suggested that officers should only be given £10 because they already had a messing grant of £10. The question was still under discussion when the statement was made about the reorganisation of the Territorial Army. The matter was not mentioned in the House of Commons, but in the House of Lords Lord Fortescue, in reply to a supplementary question, stated that the Territorial officers' bounty was being "worked out."

3. Since then the Chancellor of the Exchequer has reiterated that he can only give an additional £10 for the officers' bounty and that I must count the messing grant as the remaining £10. I cannot hope to convince any Territorial officer of the equity of this proposal. First, the messing grant is never handled by the officer but goes straight to a central fund to pay messing expenses. Secondly, all Territorial Army officers, irrespective of whether they are volunteers or not, receive this allowance so that it can in no way be regarded as an extra given to those who volunteer for this important duty.

4. I have been repeatedly approached by the Chairman of the Territorial Army Associations and other prominent members about the necessity for giving officers a bounty. If we are to retain a healthy Territorial Army which can run itself the volunteer officer is a vital necessity. We alone of all countries with conscription rely on a volunteer cadre to train our Territorial Army in a way which, compared to other nations, is "on the cheap."

5. There are now three courses before me: —

(a) to give the officers no bounty; but this course is made difficult by Lord Fortescue's assurance in the House of Lords;

(b) to give them only £10 as suggested by the Chancellor of the Exchequer. This is entirely contrary to all precedent about pay or bounties, i.e., giving officers less than other ranks. I feel that this would cause great ill-will and do more harm than giving officers no bounty;

(c) to give the officers the full £20. This would cost about £110,000 per year more than the £10 bounty, and I would undertake to make equivalent savings elsewhere in order to pay for it.

6. I fully appreciate the Chancellor's difficulties and the necessity for the strictest economy, but I see very great difficulty in adopting course (a) or (b) above.

A. H.

The War Office, S.W. 1,
23rd February, 1956.

49613
CABINET

COST OF MEAT INSPECTION

MEMORANDUM BY THE CHANCELLOR OF THE EXCHEQUER

Meat inspection has been the responsibility of local authorities since before the war and, except during the period of control ended in July, 1954 when the Government was the owner of the meat and Government grants were given, its cost has been met from their funds. In some areas there are central slaughterhouses serving a number of local authority districts, and the local authorities concerned now object to paying all the cost of inspecting meat when a large proportion of the meat will be eaten elsewhere.

The Case for Exchequer Assistance

2. This problem has been considered at a series of meetings, culminating with the meeting on 27th January of the Home Affairs Committee (H.P. (56) 1st Meeting, Item 8). That Committee recommended, with the Treasury dissenting, that Exchequer assistance should be given to local authorities. The main reasons for this recommendation are:

(a) The present system places an unduly heavy burden on certain local authorities, and the financial assistance given during control should therefore be restarted. The burden may be accentuated by further concentration of slaughterhouse facilities.

(b) Efficient food inspection is a public health service and a proper charge on public funds. The Exchequer grant to port health authorities has been cited as a precedent.

(c) It would be contrary to this policy to transfer the cost to the consumer by making a charge for meat inspection and such a scheme might be difficult to administer because many slaughterhouses are privately owned.

(d) The cost to the Exchequer would be small, not more than £100,000 to £150,000 a year.

The Case Against Exchequer Assistance

3. Throughout the discussions the Treasury has resisted an Exchequer grant for this purpose as an important matter of principle, the main reasons being:

(a) No case can be built for a specific grant for meat inspection on the ground that it is a public health service. Public health services account for about £90 million a year of local authorities' expenditure in England and Wales alone and no specific Exchequer grant-aid is given over the whole of this field, except for the Port Health Service, which costs only about £200,000.

(b) The Port Health Services are unique, being akin to Customs. The meat inspection service is not of this character, but arises directly from local industry. But even if an exact precedent could be found for making a grant for meat inspection, it cannot be accepted that any precedent in favour of Exchequer expenditure must necessarily prevail against other considerations.
(c) In Scotland, on the other hand, there is a direct precedent for not awarding an Exchequer grant. The compulsory meat inspection service is already rate-born in that country without Exchequer grant—even though Scotland is a net exporter of meat.

(d) There is strong pressure on the Government to introduce new Exchequer grants for several other purposes, and for all of them a persuasive case can be presented if they are considered in isolation. They include local welfare services, services for blind and handicapped persons, maintenance of sea defences, mining subsidies, street lighting, and maintenance and minor improvement of classified roads in metropolitan and country boroughs. But the total cost, if all these claims for Exchequer money were granted, is to be reckoned in tens of millions of pounds a year. As there are alternative ways of financing meat inspection, it is difficult to regard the merits of its claim to Exchequer grant as overwhelming, among all these other claims where a general concession is manifestly impossible because of the scale of expenditure involved.

(e) The whole subject of local government finance has been reviewed by an interdepartmental committee in preparation for negotiations which must shortly take place with the local authorities. I understand that, in considering the proposals for new Exchequer grants known to be before Departments, the Committee remark that a case can always be made for new specific grants, but that unless these are accompanied by reductions in existing specific grants their effect in the aggregate is to increase the local authorities' dependence upon specific grants and thus to run against the objective of strengthening local government.

(f) The Interdepartmental Committee on Slaughterhouses, after full and careful consideration of all the relevant facts, including the representations of all the interested parties, have approved the principle of the cost of inspection being borne by the owners of the meat. Costs of inspection are not really distinguishable from other costs of producing clean meat. Such a charge could be imposed without serious practical difficulty and it would increase the price of meat to the consumer by only one-quarter of 1 per cent. of the retail price (say a halfpenny in the £) if the meat traders passed on the charge.

(g) In present economic circumstances, when we are making every effort to cut down both central and local government expenditure, it is particularly important that any new charge on public funds should be avoided.

Conclusion

4. For the reasons given above I cannot accept the risk of an additional burden on the Exchequer at a time when my objective is to secure all possible economy in the field of Government expenditure. I therefore invite my colleagues to agree that the Minister of Agriculture should be asked to formulate an alternative scheme, without an Exchequer grant, either leaving the cost on the rates or passing it on by a charge to the owner of the meat. Of the two, I prefer the latter.

H. M.

Treasury Chambers, S.W. 1, 23rd February, 1956.