CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1 on Tuesday, 5th February, 1952, at 11 a.m.

Present:
The Right Hon. WINSTON S. CHURCHILL, M.P., Prime Minister and Minister of Defence (in the Chair).
The Right Hon. LORD WOOLTON, Lord President of the Council.
The Right Hon. LORD SIMONDS, Lord Chancellor.
The Right Hon. R. A. BUTLER, M.P., Chancellor of the Exchequer.
The Right Hon. OLIVER LYTTELTON, M.P., Secretary of State for the Colonies.
The Right Hon. LORD LEATHERS, Secretary of State for Coordination of Transport, Fuel and Power.
The Right Hon. Sir WALTER MONCKTON, K.C., M.P., Minister of Labour and National Service.
The Right Hon. PETER THORNEYCROFT, M.P., President of the Board of Trade.
The Most Hon. the MARQUESS OF SALISBURY, Lord Privy Seal.
The Right Hon. Sir DAVID MAXWELL FYFE, K.C., M.P., Secretary of State for the Home Department and Minister for Welsh Affairs.
The Right Hon. LORD ISMAY, Secretary of State for Commonwealth Relations.
The Right Hon. JAMES STUART, M.P., Secretary of State for Scotland.
The Right Hon. HAROLD MACMILLAN, M.P., Minister of Housing and Local Government.
The Right Hon. LORD CHERWELL, Paymaster-General.

The following were also present:
The Right Hon. J. P. L. THOMAS, M.P., First Lord of the Admiralty (Items 1-5).
The Right Hon. LORD DE L'ISLE AND DUDLEY, Secretary of State for Air (Items 1-5).
The Right Hon. ANTONY HEAD, M.P., Secretary of State for War (Items 1-6).
The Right Hon. DUNCAN SANDYS, M.P., Minister of Supply (Items 1-5).
The Right Hon. DAVID ECCLES, M.P., Minister of Works (Item 7).

Secretariat:
Sir NORMAN BROOK.
Mr. T. PADMORE.

41883—1
<table>
<thead>
<tr>
<th>Minute No.</th>
<th>Subject</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Civil Defence</td>
<td>55</td>
</tr>
<tr>
<td>2</td>
<td>Civil Service</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Age of Retirement</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Agriculture</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Ploughing-up Subsidy and Potato Acreage</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Man-power</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Employment in Motor Industry</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>National Service</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>Call-up of Skilled Workers</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Malaya</td>
<td>57</td>
</tr>
<tr>
<td>7</td>
<td>Government Offices</td>
<td>57</td>
</tr>
<tr>
<td>8</td>
<td>The King's Stay in South Africa</td>
<td>58</td>
</tr>
<tr>
<td>9</td>
<td>Housing</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td>Adjustment of Government Subsidies</td>
<td></td>
</tr>
</tbody>
</table>
1. The Prime Minister said that he had been concerned to see, in reports of a Press Conference which the Home Secretary had held on the previous day, references to the delivery of new sirens for sounding air-raid warnings. He thought it unwise that the public should be alarmed by undue publicity about civil defence preparations at this stage.

The Home Secretary said that the purpose of his Press Conference had been to stimulate recruiting for the civil defence services, which were seriously below their peace-time establishment. It was unfortunate that the newspapers had given such prominence to his remarks on the subject of equipment. He had no intention of obtruding upon public attention the arrangements which were being made to complete the air-raid warning system.

2. The Prime Minister drew attention to Press reports of the decision to raise the normal age of retirement of established civil servants. This decision had been presented in the Press in a manner which made it seem inconsistent with the steps which the Government were taking to reduce the size of the Civil Service.

The Chancellor of the Exchequer said that the Staff side of the National Whitley Council had conveyed this information to the Press prematurely and without his knowledge. He had demanded, and had received, the Staff side’s apologies for their action. The timing of the disclosure was admittedly unfortunate. The policy was, however, sound and consistent with the current movement towards an extension of the working life of the population generally. It was also consistent with the policy of reducing Civil Service numbers: for this should be achieved by dispensing with younger temporary staff who could be absorbed into other employment.

The Prime Minister said that he hoped that all Ministers would in future bear in mind the desirability of mentioning to the Cabinet, before any public announcement was made, any executive decisions which were of general importance or were likely to attract widespread publicity.

3. The Lord President said that, with the approval of the Home Affairs Committee and the authority of the Prime Minister, the Minister of Agriculture had announced on the previous day the Government’s decision to introduce legislation authorising the payment to farmers of a contribution of £5 an acre towards the cost of ploughing up land which had been under grass for four years or more and of sowing an approved crop for harvesting in the current year. The approved crops would be wheat, barley, oats, coarse grains and roots for animal feeding, potatoes and linseed. This should encourage the home production of coarse grains, and should also have the effect of ensuring an adequate acreage of potatoes. In addition, people would be urged to grow potatoes in small-holdings and private gardens.

The Cabinet—

Took note of the Lord President’s statement.

4. The Minister of Supply said that, owing to the shortage of sheet steel and the reduction in the number of cars to be made for the home market, workers were being discharged by some of the motor manufacturers in Coventry. He was considering to what extent aircraft manufacturers could place sub-contracts in this area, in order to absorb some of the redundant labour.
said that his Department were working on this problem in consultation with the Minister of Supply and were urgently seeking means of finding alternative employment for the workers who were about to be discharged.

National Service.
Call-up of Skilled Workers.

5. The Cabinet had before them a memorandum by the Minister of Labour (C. (52) 15) reporting that, in pursuance of their decision of 29th November, he had examined, in consultation with the other Ministers concerned, the possibility of deferring the call-up of ex-apprentices employed on essential parts of the defence production programme.

Of the total number of 23,000 ex-apprentices in engineering and metal-working occupations who became available for calling-up annually, the Admiralty and the Ministry of Supply were asking for deferment for about 1,500 skilled men occupied on the most essential items of defence production. The Minister of Labour said that he was anxious to take some steps to assist these Departments; but he was also apprehensive that any but the most rigidly-limited deferment of call-up for skilled workers engaged on rearmament would stimulate demands on behalf of those engaged on other work, for instance in export trades, in transport and in agriculture. If these additional demands had to be met, public acceptance of conscription in time of peace might be prejudiced. He would therefore prefer to work out an even more limited scheme than that proposed by the Admiralty and the Ministry of Supply, confining it to a number of designated projects of the highest importance and to a few selected occupations of the highest skill.

In discussion the following points were made:

(a) The case for deferring the call-up of all skilled men engaged on the most essential defence work (and not merely of those who had attained the highest degrees of skill) was that most of these men worked in teams, the efficiency of which was impaired by the call-up of any of their members.

(b) On the other hand post-war apprentices were now beginning to return to industry after completing their military service: the return of these men, though they would not immediately fit as readily into the production teams as those now being newly called-up, would assist in the solution of the problem.

(c) The defence production programme was now at the "tooling-up" stage, when the supply of certain skilled men, such as draughtsmen, was crucial.

(d) Firms working for export were suffering from a shortage of the same kinds of worker.

The general view of the Cabinet was in favour of a more limited scheme than that suggested by the Admiralty and the Ministry of Supply. It might be desirable, in such a limited scheme, to make some concession to export industries as well as arms production. The wider proposal, involving deferment of men possessing lesser as well as higher degrees of skill, would give rise to pressure which it would be difficult to resist for its extension to a wide range of other occupations. The Ministers directly concerned might draw up such a limited scheme with the assistance of one of their colleagues who had no direct Departmental interest in the matter.

The Cabinet—
Invited the Secretary of State for Co-ordination of Transport, Fuel and Power, in consultation with the Minister of Labour and with the other Ministers concerned, to draw up and to submit to the Cabinet a limited scheme for deferring the call-up of ex-apprentices, confined to a number of designated projects of the highest importance and to a few selected occupations of the highest skill.
6. The Cabinet had before them a note by the Lord Privy Seal (C. (52) 16) submitting the conclusions of the Committee which they had appointed on 28th December to consider the Colonial Secretary's report on his visit to Malaya.

The Colonial Secretary said that he hoped the Cabinet would approve the recommendation that the term of office of the Commissioner-General for South-East Asia should be extended for the time being. The Cabinet endorsed this recommendation, but suggested that no public announcement should be made until after the new High Commissioner had arrived in Malaya.

The Cabinet—

(1) Approved the recommendations made in the report annexed to C. (52) 16.

(2) Invited the Colonial Secretary to confer with the Prime Minister regarding the timing of his announcement extending the term of office of the Commissioner-General for South-East Asia.

7. The Cabinet considered a memorandum by the Minister of Works (C. (52) 17) suggesting means of securing further economies in the use of office space by Government Departments.

In discussion the following points were made:

(a) Substantial savings could be made if Ministers in charge of Departments would insist on compliance with the approved standards of accommodation.

(b) Care must be taken to ensure that the forthcoming reductions in civil service numbers yielded a corresponding economy in office space.

(c) More vigorous action should be taken to concentrate into fewer buildings the local staffs maintained by different Departments in provincial towns. Further consideration might be given to the possibility of arranging for one Department to act locally as the agent for another: for example, the Ministry of Labour might be able to transact the business of the Ministry of National Insurance, on an agency basis, in many areas.

(d) The Cabinet were informed that the amalgamation of the Ministries of Transport and Civil Aviation could not be brought into effect for some little time, and would not in fact result in any large savings in staff. It would, however, have the result that Aerial House would be available for other use, since the staff now there would be transferred to Acton.

(e) The arrangements for checking the unnecessary accumulation of official records should be brought urgently under review. The Cabinet considered that most Departments could safely adopt a much more ruthless policy of destroying old papers which were of no permanent value or interest.

The Cabinet—

(1) Approved in principle the proposals put forward by the Minister of Works in C. (52) 17.

(2) Invited the Minister of Works to send to his colleagues lists of premises which he thought their Departments might surrender by a given date; and invited all Ministers in charge of Departments to support the efforts which the Minister of Works was making to curb the demands of Departments for office space, and to comply with the approved standards of office accommodation.

(3) Invited the Minister of Works to report in a month's time the progress made in securing economy in the use of office space by Government Departments.
8. The Cabinet's attention was drawn to a motion tabled by Mr. Michael Stewart, M.P., and other Labour Members inviting The King to "take into consideration the distress caused to many of His Majesty's subjects by the decision that His Majesty is to be the guest of Dr. Malan in his official residence" during his forthcoming stay in South Africa.

The Cabinet agreed that on questions relating to The King's accommodation during his stay in South Africa it was appropriate that His Majesty should be advised by the Union Government, and that it would be constitutionally improper for the United Kingdom Government to offer advice on such questions. No facilities would be given for the discussion of Mr. Stewart's motion in the House of Commons; and its effect on public opinion in this country had been sufficiently countered by the amendment tabled by a number of Government supporters. As this motion had subsequently been tabled, it was no longer necessary to return any reply to a letter in the same sense which Mr. Fenner Brockway, M.P., and a number of other Labour Members had sent on an earlier date to the Secretary of State for Commonwealth Relations.

The Cabinet—

Agreed that, in the circumstances noted above, there was no occasion for the Government to take any action in this matter.

9. The Minister of Housing and Local Government said that he and the Secretary of State for Scotland had discussed with the Home Affairs Committee the arrangements for reviewing housing subsidies in the light of the forthcoming increase in the rate of interest on local authority borrowing. The new rates of subsidy would have to be negotiated with representatives of the local authorities and for this purpose it was necessary to fix a figure of notional rent. This figure had originally stood at 10s. per week, but had been increased by the previous Government to 16s. For the purpose of the new negotiations alternative figures of 18s. and 19s. per week had been suggested. The Minister had now agreed with the Chancellor of the Exchequer that the figure of 18s. should be adopted for England and Wales. He was discussing with the Chancellor of the Exchequer the possibility of maintaining stability in the subsidies for a period of perhaps eighteen months by fixing the rate of interest on housing loans for that period. Subject to this point he was satisfied that it was right to proceed with the present negotiations, though in the long term he was anxious to find some means of removing the present discouragement to private building caused by the high rates of subsidy on local authority building.

The Chancellor of the Exchequer said that changes in interest rates generally might necessitate further adjustments in the rate of interest on housing loans and he could not promise stability for any set period. Subject to this, he thought that the negotiations could fairly be represented as being designed mainly to offset by increased subsidies the increased cost of housing finance. They would involve an additional cost of £5 million a year to the Exchequer in subsidies for houses and other dwellings.

Discussion turned largely on the presentation of the Government's policy and the timing of the announcement of new subsidy rates. While the proposed increase of 2s. per week in the figure of
notional rent would not be directly announced, local authorities would become aware in the course of the discussions of the basis of the Government's calculations in arriving at a new subsidy figure. Even so the notional figure did not represent rent in actual payment, and adjustments which local authorities would need to make in actual rents as a result of the subsidy change would be smaller than the adjustment in the notional rent. It was desirable, however, that there should be the shortest possible interval between the introduction of the new rates of interest and the announcement of the new rates of subsidy, since during that time the Government's position would be open to misrepresentation.

The Cabinet—

(1) Authorised the Secretary of State for Scotland and the Minister of Housing and Local Government to open negotiations with local authority representatives on a new level of housing subsidies, taking the figure of 18s. per week as the amount of notional rent for the purpose of these negotiations in England and Wales.

(2) Invited the Chancellor of the Exchequer to consult with the Secretary of State for Scotland and the Minister of Housing and Local Government on the timing of the announcement of increased interest rates for housing loans; and to inform the Prime Minister before making this announcement.

Cabinet Office, S.W. 1,
5th February, 1952.