29th Conclusions

CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1, on Tuesday, 28th April, 1953, at 11.30 a.m.

Present:

The Right Hon. SIR WINSTON CHURCHILL, M.P., Prime Minister (in the Chair).

The Most Hon. the MARQUESS OF SALISBURY, Lord President of the Council.

The Right Hon. Sir DAVID MAXWELL FYFE, Q.C., M.P., Secretary of State for the Home Department and Minister for Welsh Affairs.

The Right Hon. LOrd WOOLTON, Chancellor of the Duchy of Lancaster.

The Right Hon. the EARL ALEXANDER OF TUNIS, Minister of Defence.

The Right Hon. OLIVER LYTTELTON, M.P., Secretary of State for the Colonies.

The Right Hon. LORD LEATHERS, Secretary of State for Co-ordination of Transport, Fuel and Power.

The Right Hon. HAROLD MACMILLAN, M.P., Minister of Housing and Local Government.

The Right Hon. LORD SIMONDS, Lord Chancellor.

The Right Hon. R. A. BUTLER, M.P., Chancellor of the Exchequer.


The Right Hon. VISCOUNT SWINTON, Secretary of State for Commonwealth Relations.

The Right Hon. JAMES STUART, M.P., Secretary of State for Scotland.

The Right Hon. SIR WALTER MONCKTON, Q.C., M.P., Minister of Labour and National Service.

The Right Hon. PETER THORNEYCROFT, M.P., President of the Board of Trade.

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 4-6).

The Right Hon. GEOFFREY LLOYD, M.P., Minister of Fuel and Power (Items 4-6).

The Right Hon. OSBERT PEAKE, M.P., Minister of National Insurance (Items 4-6).

The Right Hon. SELWYN LLOYD, Q.C., M.P., Minister of State.

The Right Hon. DUNCAN SANDYS, M.P., Minister of Supply (Items 4-7).

The Right Hon. A. T. LENNOX-BOYD, M.P., Minister of Transport and Civil Aviation (Items 1-4).

The Right Hon. DAVID ECCLES, M.P., Minister of Works (Item 6).

The Right Hon. PATRICK BUCHAN-HEPBURN, M.P., Parliamentary Secretary, Treasury (Items 1-3).

Secretariat:

Sir NORMAN BROOK.

Mr. R. M. J. HARRIS.
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Foreign Affairs. 1. The Prime Minister drew attention to a newspaper report of the reply sent by the Soviet Foreign Minister to a proposal, made by the Congress of the Peoples for Peace, for the conclusion of a peace pact between the Soviet Union, the United States, the United Kingdom, France and Communist China. M. Molotov had said that the Soviet Government approved this proposal: being convinced that there was no dispute or unsettled issue which could not be settled peaceably on the basis of mutual agreement between the countries concerned, they were ready to co-operate with the Governments of other States in strengthening world peace and security.

The Prime Minister said that, if there was to be any such meeting of Great Powers, he would prefer that it should be limited to the Soviet Union, the United States and the United Kingdom, who could take up the discussion at the point at which it had been left at the end of the Potsdam Conference in 1945. It was in any event unlikely that the United States Government would be willing to be represented at any such meeting which included representatives of Communist China.

In discussion it was pointed out that proposals for a Five-Power peace pact had formed part of Communist propaganda for some time past, and that M. Molotov had done no more than endorse a proposal to this end submitted by the Congress of the Peoples for Peace, which was a Communist-controlled organisation. More significance could have been attached to his statement if it had been made, of his own initiative, in an official offer to the other Governments concerned.

The Cabinet agreed that it would be premature to draw any conclusions from this announcement, and that it would be unnecessary for the Government to volunteer any public statement about it at this stage.

Parliament. 2. The Cabinet were informed of the business which was likely to be taken in the House of Commons in the following week.

From the point of view of the Parliamentary time-table there would be advantages in holding during that week the proposed debate on Foreign Affairs. The Prime Minister felt, however, that, from the angle of international relations, it might be preferable to postpone that debate for a few days longer. He undertook to discuss this question further with the Lord Privy Seal before the time came to announce the Parliamentary business for the following week.

Transport. 3. The Cabinet took note that the Transport Bill had now passed through all its stages in both Houses of Parliament. They expressed their appreciation of the skill and patience with which the Minister of Transport had conducted the Parliamentary proceedings on the Bill.

The Cabinet considered a proposal that a Committee should be appointed to consider what practical measures (if any) could be taken by the British Transport Commission and the London Transport Executive to secure greater efficiency and economy in London transport.

The Cabinet were informed that this proposal had been approved by the Home Affairs Committee. Questions relating to charges would be excluded from the proposed enquiry, since these fell within the jurisdiction of the Transport Tribunal. In discussion it was suggested that the words "if any" should be deleted from the terms of reference proposed by the Minister of Transport.
The Cabinet—

Authorised the Minister of Transport to announce, in reply to two Parliamentary Questions for answer that afternoon, that a Committee would be appointed to consider means of securing greater efficiency and economy in London transport; and approved the terms of reference proposed by the Minister, subject to the amendment suggested in discussion.

Northern Ireland
 Relief of Unemployment
(Previous Reference: C.C. (53) 28th Conclusions, Minute 8.)

4. The Cabinet had before them memoranda by the Home Secretary (C. (53) 133 and 141) discussing possible means of helping the Northern Ireland Government in their efforts to reduce unemployment.

The Home Secretary said that examination had shown that the practical measures suggested during the Cabinet's last discussion of this matter would have little immediate effect on the employment situation in Northern Ireland. It therefore seemed necessary to consider what attitude we should adopt if, as seemed likely, the Northern Ireland Government were to press for the inclusion in their forthcoming budget of a subsidy on industrial coal.

The Chancellor of the Exchequer said that the substantial fall in the amount of her Imperial contribution was a measure of Northern Ireland's serious plight, which justified our giving her some further assistance. He did not favour the suggested coal subsidy and would prefer that our assistance should take such practical forms as might be agreed upon in discussion with Northern Ireland Ministers.

The Minister of Fuel and Power recalled that between 1940 and 1950 there had been a coal freight subsidy which had covered Scotland and south-west England as well as Northern Ireland. It was likely that the reintroduction of a coal subsidy in Northern Ireland would give rise to a demand for its extension at least to Scotland.

It was explained that, although the rate of unemployment in Scotland was not comparable with that in Northern Ireland, a case could be made for such assistance, at least to the Scottish Highlands where heavy unemployment was avoided largely by movement of redundant labour to other areas.

The Minister of Supply said that, if authority could be given for the placing of certain War Office orders for clothing which had recently been suspended for financial reasons, it would be possible to spend in Northern Ireland an additional £300,000 providing immediate work for some 400 people.

The Chancellor of the Exchequer said that he would consider urgently whether in present circumstances the placing of these particular orders could be approved.

The Cabinet—

(1) Agreed in principle that financial assistance should be afforded to the Northern Ireland Government in their efforts to reduce unemployment.

(2) Invited the Home Secretary and the Chancellor of the Exchequer to discuss with Northern Ireland Ministers the amount of such assistance and the particular uses to which it should be put.

(3) Invited the Chancellor of the Exchequer to consider urgently, and inform the Minister of Supply, whether he was prepared to authorise the immediate placing of the additional War Office orders for clothing mentioned in paragraph 4 of Annex A to C. (53) 141.
5. The Prime Minister said that, since the Cabinet had approved on 21st April the form of the proposed announcement about the current enquiry into the organisation for supervising atomic research and production, it had been suggested to him that he might with advantage add an introductory paragraph in the following terms: "As the House knows, considerable strides have been made in the development of methods for using atomic energy for industrial purposes and these aspects are now coming very much to the fore. Various countries on this side of the Iron Curtain are devoting a notable effort to this new field, either for warlike or for peaceful purposes, and I do not think there is one in which the work is organised on departmental lines."

In discussion it was agreed that the first of these two sentences should be adopted as an introduction to the draft announcement already approved. The second sentence need not be included in the original statement, but it might well be used in reply to supplementary Questions.

The Cabinet—

Took note that the Prime Minister would adjust, in the light of their discussion, the announcement which he was to make in the House of Commons that afternoon on the current enquiry into the organisation for supervising atomic research and production in this country.

6. The Cabinet had before them memoranda by the Chancellor of the Exchequer (C. (53) 127) and the Minister of Housing and Local Government (C. (53) 140) on proposals to reduce the number and size of regional offices of Government Departments.

The Chancellor of the Exchequer said that, as a means of achieving a further reduction in the numbers of civil servants in accordance with the Government's declared policy, he was recommending the closing of all regional offices in Cambridge and Reading (and possibly, later, in Newcastle and Nottingham also) and the combination of the regional offices of the Board of Trade and the Ministry of Supply (and possibly, later, of other Departments) in the remaining regional headquarters towns. The Prime Minister had stated in the House of Commons on 26th February that the regional organisation was under examination to see whether economies could be secured and that it was hoped to make a definite announcement before long.

The Minister of Housing and Local Government said that he would deplore any weakening of his Department's regional organisation at a time when the success of the Government's housing programme still hung in the balance. His regional officers were able to put to good use both their close contacts with local housing authorities, many of whom were not in sympathy with the Government, and their working relations with colleagues representing the Ministers of Labour and Works.

The Minister of Labour said that his regional officers performed no less valuable a function in helping to maintain industrial peace. Moreover, without an adequate regional organisation, it would be difficult for his Department to supervise properly its local offices, which numbered some 1,200.

In discussion the following further points were made:—

(a) The President of the Board of Trade, the Minister of Supply and the Minister of National Insurance said that, in spite of the value of the regional organisation, they were ready to accept the proposed winding up of the Cambridge and Reading regions.
(b) Serious doubts were expressed about the expediency of attempting to close regional offices in Newcastle and to administer the present Northern Region from Leeds.

c) The Minister of Supply said that the combination of his Department's regional offices with those of the Board of Trade was acceptable to him in principle but would need careful working out in practice.

The Cabinet—

(1) Invited the Chancellor of the Exchequer to reconsider his proposals in C. (53) 127 in the light of the Cabinet's discussion.

(2) Agreed that, in the meanwhile, such practical steps as could be taken to reduce the regional organisation of Departments should be put into effect without special publicity.

7. The Chancellor of the Exchequer made a brief report on the proceedings at the meeting of the North Atlantic Council which had been held in Paris from 23rd to 25th April.

In the formal meetings of the Council, all the countries represented had unanimously endorsed the view that, despite the uncertainties about Soviet foreign policy since the death of Stalin, there should be no relaxation of the effort to strengthen the defences of the western world.

In private meetings which they had held with the British and the French representatives, United States Ministers had been somewhat less encouraging. They had made it clear that we must expect a substantial reduction in defence aid from the United States to Europe. So far as concerned the United Kingdom, general economic aid would be discontinued and assistance would be given only in the form of off-shore purchases and possibly some temporary finance for purchases of United States commodities. The Chancellor said that, according to the best estimate he could make at present, this would involve only a slight worsening of our dollar balance of payments in the current year, but it would affect our position more seriously after the middle of 1954. Therefore, in speaking to the Council on the proposed goals for North Atlantic forces, he had made it clear that his acceptance of the provisional goals proposed for the end of 1954 was subject to reservations about continued United States assistance and a satisfactory defence contribution from Germany.

United States Ministers had also indicated privately that it would be some time before they could make any positive contribution towards the reduction of restrictions on world trade. It was evident that they were faced with serious divisions of opinion within the Republican Party on economic and defence policy; and that we should be well-advised to base our plans on the assumption that they would be unable for some time to come to give the full co-operation and support which we had hoped to secure from them.

The Cabinet—

Took note of this statement by the Chancellor of the Exchequer.

8. The Cabinet had before them a memorandum by the Lord Privy Seal (C. (53) 139) proposing a plan for carrying out the Government's "grand design" for housing.

The Lord Privy Seal said that the plan favoured by the Cabinet Committee on Housing Policy was that a Rating and Valuation Bill should be enacted this session and that legislation to give effect to the remainder of the Government's housing policy should be deferred.
until the 1953–54 Session. The draft of a White Paper on the whole subject would be brought before the Cabinet before the end of July; selected members of the Conservative Party should then be told in confidence of the Government’s intentions at a suitable stage; and a Resolution should be arranged at the Conservative Party Conference in reply to which the Government’s plans could be adumbrated. The White Paper would be published at the end of October and discussed in the Debate on the Address, the necessary Bill or Bills being introduced immediately thereafter.

The Chancellor of the Exchequer said that, although a Rents Bill would help to increase confidence in the Government’s financial policy and the stability of sterling, he reluctantly recognised the necessity to defer its introduction until the coming Session. He would wish to discuss with the Minister of Housing in good time how the programme for new houses might best be adjusted when the target of 300,000 houses in a year had been achieved.

The Minister of Housing said that deferment of the Rents Bill was regrettable but inevitable. As he had informed the Cabinet on 16th April, it was his intention to shift the emphasis from the building of new houses to the repair or demolition of old houses once the 300,000 target had been attained.

The Cabinet—
Approved the proposals in C. (53) 139.

9. The Commonwealth Secretary referred to the speech which the Prime Minister of India had recently made at Amritsar in which he had said that Africans were struggling against exploitation, repression and colonialism and that Indian sympathies were entirely with them. He had circulated to the Cabinet a note (C. (53) 138) of the representations which he had made to Mr. Nehru about this speech, through the High Commissioner for India in London and through our High Commissioner in New Delhi. He was glad to say that he had now received a reply from Mr. Nehru which was conciliatory in tone, and he would circulate this to his colleagues. Meanwhile, however, the Archbishop of Canterbury had permitted himself to make some public references to racial policy in South Africa which had given equal offence to the Union Government. He understood that he would shortly receive a formal protest about this from the Prime Minister of South Africa, and it would probably be necessary for him to make appropriate representations to the Archbishop.

The Cabinet—
Took note of this statement by the Commonwealth Secretary.

10. The Prime Minister said that he would be glad if his colleagues would consider whether anything could be done to relieve the strain imposed upon Members of the House of Commons, of both Parties, by the narrowness of the Government majority. Some easing in this direction would be all the more desirable if, as seemed likely, opinion amongst Government supporters ruled out any response to the Opposition’s recent approach on the subject of Members’ salaries. It might be profitable to study the procedures of other Parliaments, and some Committee of enquiry might possibly be established to consider the problem.
The Lord Privy Seal said that the procedures of the House of Commons had been subjected to a searching examination by a Select Committee as recently as 1945-6. In his view the current difficulties were due, not so much to faults of procedure, as to the mood of the Opposition. He would, however, consider the Prime Minister's suggestion.

The Cabinet—

Took note of these statements.

Cabinet Office, S.W. 1,
28th April, 1953.