CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W.1, on Tuesday, 5th May, 1953, at 11.30 a.m.

Present:

The Right Hon. Sir WINSTON CHURCHILL, M.P., Prime Minister (in the Chair)
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. 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 following were also present:


The Right Hon. LORD DE L’ISLE AND DUDLEY, Secretary of State for Air (Items 3–4).

The Right Hon. DUNCAN SANDYS, M.P., Minister of Supply (Item 7).

The Right Hon. the EARL DE LA WARR, Postmaster-General (Item 3).


The Right Hon. PATRICK BUCHAN-HEPBURN, M.P., Parliamentary Secretary, Treasury.

SECRETARY:

Sir NORMAN BROOK.

Mr. R. M. J. HARRIS.
<table>
<thead>
<tr>
<th>Item No.</th>
<th>Subject</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Indo-China</td>
<td>39</td>
</tr>
<tr>
<td>2</td>
<td>Parliament</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>Simplified Spelling Bill.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Press Council Bill.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Television Development</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>North-East Scotland</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Army and Air Force Acts</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Offence of Mutiny</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Judges' Salaries</td>
<td>41</td>
</tr>
<tr>
<td>6</td>
<td>Parliament</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Salaries of Members and House of Commons Procedure.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Atomic Energy</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>Future External Policy</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Provision for Old Age</td>
<td>43</td>
</tr>
<tr>
<td>9</td>
<td>East-West Trade</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>Draybex Limited</td>
<td></td>
</tr>
</tbody>
</table>
1. The Prime Minister said that at their meeting on 29th April the Defence Committee had decided that, in view of our limited resources, we must refuse a French request for the loan of transport aircraft for use in Indo-China. Since then, however, he had been told that we were holding a number of suitable aircraft in reserve against the possibility that we might have to resume the air-lift into Berlin. If this were so, it might be more difficult to continue to refuse this French request.

In discussion it was suggested that such transport aircraft as were available in this country might be needed for our own military purposes if an emergency arose requiring the reinforcement of British troops in the Middle East or in South-East Asia. It was also said that there was some reason to believe that the French themselves had transport aircraft available which they had not yet sent to Indo-China.

The Cabinet—

Invited the Minister of Defence and the Minister of State to enquire further into the points which had been raised in discussion and to report the result of their enquiries to the Prime Minister.

2. The Cabinet were informed of the business to be taken in the House of Commons in the following week. The Prime Minister would open the two days' debate on foreign affairs on 11th May and the Government speakers on 12th May would be the Minister of State and the Joint Parliamentary Under-Secretary of State for Foreign Affairs.

The Minister of Education said that the Simplified Spelling Bill, a Private Member's Bill sponsored by Mr. J. J. Pitman, M.P., had passed through Committee and would reach the stage of report and third reading as Second Order on 8th May. The promoters of the Bill, whose principal object had been to obtain publicity for their scheme, were now prepared to withdraw the Bill if she would make a statement indicating that it would be open to research organisations to investigate further the possibility of improving the teaching of reading by use of a new system of spelling. She was prepared, if the Cabinet agreed, to make a suitable statement to this effect, and a draft of this was read to the Cabinet. The statement proposed would leave the position exactly as it was and would involve no commitment for the Government.

The Chief Whip said that there could be no certainty that the Bill could be defeated on 8th May. The promoters had mustered a substantial body of support for it and it would be undesirable to issue an official whip against it. If, however, the promoters would agree to move an adjournment of the debate, this would be likely to be carried, as it would be opposed only by those elements in the House whose main concern was to embarrass the Government.

In discussion it was suggested that, if the Bill received a Third Reading in the Commons, it might still be defeated in the Lords. It was pointed out, however, that there could be no certainty of this in view of the efforts made by the promoters to enlist support for the Bill in both Houses, and that in any case the defeat of the Bill in the Lords after it had been passed by the Commons might at the moment impair relations between the two Houses. On the other hand, if the promoters were frustrated in an attempt to withdraw the Bill in the Commons, its subsequent defeat in the Lords could not give rise to serious criticism.

The Prime Minister said that he would have preferred to avoid making any arrangement with the promoters of this Bill, but in all the circumstances he was willing that this possibility should be explored.
The Cabinet—

(1) Invited the Minister of Education to discuss further with the promoters of the Simplified Spelling Bill the possibility of securing that the Bill should be withdrawn, and to report to the Prime Minister whether satisfactory assurances of this could be obtained.

The Home Secretary said that curtailment of debate on the Simplified Spelling Bill would involve the Government in further embarrassment as the Third Order for 8th May was the adjourned debate on the Press Council Bill. It would be unfortunate if this Bill, which provided for a statutory Press Council, were to receive a Second Reading when the interests concerned, under pressure from the Government, had agreed upon the main lines of a voluntary Press Council which it was hoped to bring into being by 1st July.

The Lord Privy Seal said that the situation was complicated by the fact that most of the Government's supporters who were interested in this subject had already exhausted their right to speak on second reading of the Bill.

The Cabinet—

(2) Invited the Home Secretary, the Lord Privy Seal and the Chief Whip to consider, in consultation, how best to ensure that the Press Council Bill should not receive a Second Reading on Friday, 8th May.

Television Development.

(Previous Reference: C.C. (53) 16th Conclusions, Minute 3.)

3. The Cabinet had before them a memorandum by the Postmaster-General (C. (53) 142) suggesting the appointment of a Cabinet Committee to advise on certain aspects of television development by the B.B.C. and by commercial companies.

The Postmaster-General said that it would be of advantage if a small Committee could consider and advise the Cabinet on the implications of an early decision to allow the B.B.C. to proceed immediately after the Coronation with the construction of five additional low-powered television stations. A decision on this question should be reached by July, if sponsored television was to be in operation before the next General Election.

The Chancellor of the Duchy of Lancaster said that he favoured an immediate decision to authorise the erection of the five additional B.B.C. stations. Further hesitation in approving this development would deprive substantial populations of television for no good reason and would seriously delay the introduction of sponsored television for which there was strong support in the Conservative Party.

The Chancellor of the Exchequer said that he agreed with the Postmaster-General in thinking that it would be helpful if, before authority was given for any additional B.B.C. stations, the programme of television development, both public and commercial, could be reviewed on the Cabinet's behalf.

The Prime Minister said that it would be convenient if a Committee could formulate the points for decision by the Cabinet and draw up a suggested time-table of development.

The Cabinet—

(1) Appointed a Committee consisting of—

Chancellor of the Exchequer (in the Chair),
Home Secretary,
Chancellor of the Duchy of Lancaster,
Lord Privy Seal,
Secretary of State for Scotland,
Postmaster-General,

to study the problems raised in C. (53) 142 and to submit their recommendations to the Cabinet.
The Home Secretary said that the Secretary of State for Scotland had asked him to remind the Cabinet that the reason given hitherto for the inability to make television available in North-East Scotland in time for the Coronation had been the shortage of resources. If approval were now to be given for the erection of five additional B.B.C. stations, the Government might be severely criticised for having failed to make a service available in this area before the Coronation. Was a temporary service still out of the question?

The Postmaster-General said that from personal enquiries which he had made he was satisfied that opinion in North-East Scotland would not be content with anything less than a permanent service, which certainly could not have been provided before the Coronation.

The Cabinet—

(2) Invited the Committee appointed under Conclusion (1) above to consider whether any temporary television service should be provided in North-East Scotland for the Coronation.

Army and Air Force Acts.
Offence of Mutiny.
(Previous
Reference: C.C. (53) 12th
Conclusions, Minute 3.)

4. The Cabinet had before them a memorandum by the Minister of Defence (C. (53) 146) seeking authority to present to the Select Committee on the Army and Air Force Acts proposals for revising the definition of mutiny and the penalties for it which had been before the Cabinet at their meeting on 17th February.

The Minister of Defence said that these proposals had now been fully discussed with the Law Officers, whose main concern was to ensure that the difficulties which they saw in them were fully appreciated by all concerned. These difficulties would accordingly be brought to the notice of the Select Committee, to whom it would also be made clear that the proposals did not represent the considered views of the Government.

The Cabinet—

Authorised the Minister of Defence to communicate with the Select Committee on the Army and Air Force Acts on the lines proposed in C. (53) 146.

Judges' Salaries.
(Previous
Reference: C.C. (53) 22nd
Conclusions, Minute 1.)

5. The Chancellor of the Exchequer said that he had considered further, in consultation with the Lord Chancellor, what would be the best method of implementing the Government's decision to improve the remuneration of the Judges of the High Court. He was now disposed to recommend an all-round salary increase of £3,000 a year, together with a tax-free travel allowance of £150 a year. For Judges now on a salary of £5,000 a year, this would mean a net increase of remuneration of £995; for those on higher rates of salary the net increase would be smaller. He suggested that the Cabinet should consider this alternative method, and should also decide whether it would be practicable to pass the necessary legislation during the current session.

On the method, differing views were expressed in the Cabinet's discussion. Some Ministers thought that a further attempt might be made to satisfy Government supporters that the original proposal for a tax-free allowance was justified by the argument that the High Court Judges held a unique position and were not comparable with any other class of tax-payer. Alternatively, it might be easier to justify on that ground a proposal to reduce the salaries (e.g., from £5,000 a year to £3,500) and make them wholly exempt from tax. Other Ministers believed that it was the element of exemption from taxation which had occasioned the widespread criticism of the original
proposal and considered that on this account it would be easier to pass through Parliament legislation providing for an increase of gross salary.

The Lord Chancellor said that, if this latter method were adopted, the opportunity should be taken to remove some of the disparity between the salaries of the English Judges and those of Judges in Scotland and Northern Ireland.

On timing, the Cabinet were informed that, owing to the congestion of the Parliamentary time-table, there was now little prospect that legislation on this subject could be passed into law before the end of the current session. The point was also made that it would be inconvenient that this question should again become the subject of public controversy at a critical stage in the negotiations on the current wages claim in the engineering industry. On the other hand, an early assurance ought to be given of the Government's intention to carry through their decision to improve the Judges' remuneration; and it was suggested that some announcement of the Government's decision should be made during the summer, even though the necessary legislation could not be introduced until the autumn. Some Ministers felt, however, that it might be inexpedient to make such a declaration so far in advance of the introduction of legislation, especially if important negotiations for industrial wage increases were then in progress.

The Cabinet—

(1) Invited the Chief Whip to arrange for the Lord Chancellor to meet the Executive of the 1922 Committee in order that he might explain the reasons for the Government's decision to improve the remuneration of the Judges and hear their views on the alternative methods of giving effect to that decision.

(2) Agreed to resume their discussion when the results of that meeting were available.

6. The Prime Minister said that he had been asked for a reply to the representations, made by a deputation from leading members of the Labour Party which he had received on 1st April, in favour of increased remuneration for Members of the House of Commons. He was being asked, in particular, whether the Government were willing to propose that this question be examined by a Select Committee. He remained convinced that any proposal to raise Members' salaries at this juncture would be strongly opposed by a majority of Government supporters, and he therefore preferred that the Opposition should be left to take the initiative in raising the matter publicly. He also thought that the pressure for an increase in Members' salaries might possibly be relieved by encouraging the discussion of means of easing the strain on Members by adjustments in the procedure of the House. Such a discussion on questions of procedure might disclose possibilities of increased allowances for Members, e.g., for postage, and other facilities which might lessen the demand for an increase of salary. He proposed to reply to the Opposition Leaders on those lines, and to point out that it was open to them to raise the matter on one of their Supply Days.

In discussion the Cabinet were informed that the Opposition had now agreed to the appointment of a Select Committee to enquire into the amenities available for Members in the Palace of Westminster.

The point was also made that, in the interests of Party discipline, Government supporters should not be encouraged to put forward suggestions for improving the present arrangements for pairing: the discussion of this matter could best be handled through the usual channels.
The Cabinet—

Took note that the Prime Minister would ascertain the views of the Chancellor of the Exchequer and the Lord Privy Seal on the terms of the reply which he proposed to send to the representations made on behalf of the Labour Party in favour of increased remuneration for Members of the House of Commons.

7. The Cabinet had before them a note by the Paymaster-General (C. (53) 145) covering the draft of the message about co-operation with Australia in atomic energy matters which was to be sent to the Prime Minister of Australia in accordance with the Cabinet's decision of 21st April.

The Paymaster-General explained that the underlined passages in the third and seventh paragraphs of the draft message were designed to meet points raised by the Prime Minister. The underlined passage in the third paragraph was intended to discourage the Australians from thinking that they would find it easy to come to some arrangement with the Americans for co-operation in atomic energy matters.

The Prime Minister said that the draft would be more acceptable to him if the words "at the present time" were inserted after the words "we cannot count" in line 5 of the third paragraph.

The Cabinet—

Approved the draft telegram attached to C. (53) 145, subject to the amendment noted above.

8. The Cabinet had before them a memorandum by the Chancellor of the Exchequer (C. (53) 143) seeking the Cabinet's endorsement of a recommendation by the Home Affairs Committee that the financial and economic problems arising from the provision made for old age should be investigated by an independent and authoritative committee of enquiry.

The Chancellor of the Exchequer said that the fact that expenditure from the National Insurance Fund was expected to begin to exceed income from contributions in 1954-55 reinforced the case for an enquiry, which the Secretary of State for Scotland wished to cover Scotland as well as England and Wales. He hoped that the Minister of Labour would make every effort to secure the co-operation of the Trades Union Congress (T.U.C.) in the enquiry. The Committee's terms of reference might be on the lines suggested in his memorandum.

The Minister of Labour said that he was ready to approach the T.U.C., although there could be no certainty that they would abandon their previous objections to taking part in an enquiry of the kind proposed. He hoped that, when the appointment of the Committee was announced, it would be made clear that it would take into account the work already done in this field by a Committee under the Chairmanship of the Parliamentary Secretary to his Ministry, on which the T.U.C. was represented.

The Cabinet—

(1) Agreed that an independent committee of enquiry should be appointed—

"To review the economic and financial problems involved in providing for old age, having regard to the prospective increase in the number of the aged, and to make recommendations."
9. The President of the Board of Trade informed the Cabinet that he had evidence that a firm called Draybex Limited had contrived to sell a consignment of ballbearings to the Soviet Union by deliberate evasion of the export licensing regulations, and he was proposing to institute proceedings against the company for breach of those regulations. One of its directors, Mr. G. B. Drayson, was a Conservative Member of Parliament. Defence Regulation 91 had the effect that, if an offence against the regulations was committed by a company, any director of the company was deemed to be guilty of the offence unless he proved that it was committed without his knowledge or that he had exercised all due diligence to prevent its commission. It had not, however, been the practice of the Board of Trade to proceed in such cases against all the directors of a company; and on the present occasion there was reason to believe that Mr. Drayson had no special knowledge of the transaction constituting the offence. Subject, therefore, to the opinion of an independent counsel experienced in the criminal law, he proposed that these proceedings should be taken against the company and the director known to be responsible for the transaction, and that Mr. Drayson should not be joined in the proceedings.

The Cabinet—

Took note of this statement by the President of the Board of Trade.

Cabinet Office, S.W. 1.
5th May, 1953.