CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1, on Tuesday, 28th July, 1953, at 11 a.m.

Present:
The Right Hon. R. A. BUTLER, M.P., Chancellor of the Exchequer (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. 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. VISCOUNT WOOLTON, Chancellor of the Duchy of Lancaster.
The Right Hon. the EARL ALEXANDER OF TUNIS, Minister of Defence.
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. FLORENCE HORSBRUGH, M.P., Minister of Education (Item 4).
The Right Hon. Sir DAVID ECCLES, M.P., Minister of Works (Items 4-5).
The Right Hon. SELWYN LLOYD, Q.C., M.P., Minister of State.
The Right Hon. Gwilym Lloyd-George, M.P., Minister of Food (Items 3-4).
The Right Hon. the EARL DE LA WARR, Postmaster-General (Items 5-6).
The Right Hon. PATRICK BUCHAN-HIBBURN, M.P., Parliamentary Secretary, Treasury.

Secretariat:
The Right Hon. Sir NORMAN BROOK.
Mr. G. MALLABY.
Mr. R. M. J. HARRIS.
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1. *The Lord President* said that the armistice in Korea had come into force on 27th July and the Assembly of the United Nations was to meet on 17th August to settle the composition of the Political Conference. He hoped that before the Assembly met agreement would have been reached on this point between the members of the United Nations mainly concerned. Our view had been that the Political Conference should not be confined to the main antagonists only, but should include other countries, *e.g.*, India, in the hope that it might further a general settlement of Far Eastern problems. The final composition was a matter for the Assembly of the United Nations; but it was certainly our view that we should be represented and this could be made clear in answers to Parliamentary Questions.

The Lord President said that, in accordance with the Cabinet's conclusion of 23rd July, he had urged upon the United States Secretary of State the disadvantages of publishing in present circumstances the declaration on the consequences which might ensue from a breach of the armistice. Mr. Dulles had suggested a different procedure which would have gone some way to mitigating the ill-effects of the declaration. He had suggested that, in the report to the United Nations by the Unified Command covering the armistice documents, a passage should be introduced explaining the origin of the declaration and stating that it had been drawn up before the South Koreans had raised objections to the armistice. The passage would then make it clear that the purpose of the declaration was to secure peace and would go on to give a warning (in fact to Syngman Rhee) that the declaration would only come into play in the event of unprovoked aggression on the Communist side. The American draft, however, did not, in his view, give full effect to this suggestion (Washington telegram No. 1609) and he had therefore proposed an amended wording (Foreign Office telegram No. 3016) which he hoped Mr. Dulles would accept.

In discussion the Cabinet endorsed the terms of the draft proposed by the Lord President. It was pointed out that the declaration would not become known for about a week. In the meantime it was desirable that the Opposition leaders in the House of Commons should be told in confidence what was now proposed. This could be done after the debate on Foreign Affairs in the House of Lords.

The Cabinet—

(1) Took note of these statements by the Lord President.

(2) Invited the Lord President to inform the Opposition leaders in the House of Commons, in confidence, of the manner in which the warning declaration was to be made public.

2. *The Lord President* said that the German Federal Republic had adopted Deutschland über Alles as their National Anthem. In Germany this was now played on suitable occasions when British authorities were hosts. Would there be any objection to its being played in this country on appropriate occasions, *e.g.*, when the Federal Chancellor or some other high representative of the Republic was being received?

The Cabinet—

Agreed that no exception could be taken to the choice of Deutschland über Alles as the National Anthem of the German Federal Republic, and that it should be played in this country, when appropriate, as a compliment to visiting representatives of the German Federal Republic.
3. The Cabinet resumed their discussion of a memorandum by the Chancellor of the Exchequer and the Minister of Food (C. (53) 174) proposing certain increases in the prices of butter, margarine and cooking fat (including lard). They also had before them a memorandum by the Chancellor of the Exchequer and the Minister of Food (C. (53) 200) recommending that the retail price of sugar should be increased by ½d. a pound from 6th September.

The Minister of Food said that the object of the proposed increases was to keep the food subsidies within the limit of the £220 millions announced in the Budget. If a decision were delayed until after the Parliamentary recess, larger price increases would have to be made in order to achieve this object. He therefore proposed that all the increases should be brought into operation from 6th September. The effect of the increase in the retail price of sugar and in the price of butter, margarine and cooking fat (including lard) would be to raise the cost-of-living index by ½d. of a point. As against this, the price of milk would fall in November by ½d. a pint.

The Minister of Labour said that he had been anxious that there should be no increase in food prices while critical negotiations on wages claims were in progress; but, as the effect of these increases would not be felt before October, he was prepared to accept the proposals.

The Cabinet—

Authorised the Minister of Food to increase the retail price of sugar by ½d. a pound from 6th September, and to bring into effect from the same date the increases in the prices of butter, margarine and cooking fat (including lard) proposed in C. (53) 174.

4. The Cabinet had before them a memorandum by the Chancellor of the Exchequer (C. (53) 166) covering the report of a special Committee of Ministers which had been set up to consider what further measures could be put in hand with a view to securing further reductions in Government expenditure in the years ahead; and another memorandum by the Chancellor of the Exchequer (C. (53) 211) assessing the current economic situation and calling for rigorous economy in the preparation of the estimates for the forthcoming year.

The Chancellor of the Exchequer said that it was becoming increasingly difficult to find ways of easing the burden of public expenditure. Reductions in the rate of food subsidies had brought welcome relief, but he could no longer look forward to the same degree of relief from that quarter. The burden of defence expenditure was the subject of current discussion between himself and the Minister of Defence and the Service Ministers, and he hoped that together they would arrive at an understanding which would give us adequate security and some saving in expenditure. The results of these discussions would come before the Cabinet at a later stage. The National Health Service and provision for old age were the subjects of enquiry by two independent Committees, which would report in due course. Housing policy in general would be the subject of more detailed discussion in the Cabinet when the Minister of Housing had been able to prepare a draft White Paper. On education it was difficult to see any great curtailment of expenditure, without reducing the number of teachers. He suggested that the Cabinet might have some preliminary discussion of these main subjects.

The Colonial Secretary said that the Cabinet should be aware that Malaya faced a serious budget deficit, which might well cost
the Exchequer about £18 millions. The Government of Kenya would also want help to meet its budget deficit, though not on the same scale. The Chancellor of the Exchequer confirmed that he was making allowances for these contingencies.

Housing Policy. The Minister of Housing said that in the six months ending on 5th August 145,000 new houses had been built. This compared with 110,000 in the corresponding period of 1952 and 92,000 in 1951. It was possible therefore that the ultimate target of 300,000 houses would be reached in the current year. One notable feature of this year’s expanding programme was that it included 50,000 unsubsidised houses and he hoped that in 1954 this would be increased to 80,000 or even 100,000. This necessitated a curtailment of local authority housing programmes, if the total load of the housing programme was not to exceed the availability of materials.

The Minister said that he was circulating to the Cabinet the first draft of a White Paper on housing policy which would embody his proposals for the decontrol of rent and for the repair of obsolescent property. Work on the elaboration of his proposals could go on during August and September, and he did not look for final Cabinet decisions before October. If it were then decided to proceed with this plan, the White Paper could be published just before the prorogation of Parliament and discussed during the Debate on the Address. For the time being the decision on timing could be reserved, and it was most important that there should be no leakage of the Government’s intentions. He would prepare an alternative statement of policy for use if it were decided not to launch the full programme at this stage.

The Minister of Works said that he could not agree with the statement in paragraph 6 of C. (53) 211 that there were indications that the load on the building industry as a whole would reach a level which it would be difficult to maintain. The productivity of the building industry had increased greatly, as evidenced by the fact that 20 per cent. more cement and 15 per cent. more bricks were being used by the same labour force. He estimated that, so long as house-building (by local authorities and private individuals) did not exceed the target of 300,000, the building industry would be able in 1954, with the materials now in prospect, to achieve an expansion of 6 or 7 per cent. in other programmes.

The Chancellor of the Exchequer said that these reports by the Minister of Housing and the Minister of Works were very encouraging. They would doubtless keep in mind the danger to the economy of exceeding the limit set to the housing programme and of accepting a greater load on the building industry than the supply of materials made desirable.

Education. The Minister of Education said that there was little she could do to cut down the cost of education without major changes in policy. She was already doing her utmost to secure administrative economies. Any raising of the minimum school starting age would have to be made compulsory, since on a voluntary basis almost all children would start at the lowest age. The lowering of the school leaving age would meet with serious political opposition and would not in practice lead to any great reduction in the number of teachers unless the excessive size of some classes were maintained. The charging of fees would be a departure from traditional policy. It would seem particularly anomalous that the Government should first increase children’s allowances and then take some part of them back by forcing parents to pay for compulsory schooling: fees would also mean the imposition of a means test and considerable administrative expense.

In discussion the following points were made:—

(a) The Paymaster-General questioned whether the large rise in expenditure in 1963–64 could be accounted for by the fact that the
children now entering school would by that date be receiving university and technical education. The forecast for expenditure on Universities in 1963-64 was in fact only £12 millions above the figure for 1955-56, whereas the expenditure on schools was up by £56 millions in the same period.

(b) The Chancellor of the Duchy of Lancaster asked whether excessive grants were not being made to University students. In reply The Minister of Education said that a severe income test was applied in these cases.

The Chancellor of the Exchequer said that at some later stage, but not before the new Valuation Bill, it might be profitable to discuss the transfer of an increased proportion of the cost of education to the rates. In the meantime the Minister of Education would concentrate upon administrative economies and bring forward suggestions wherever possible for economies in other fields.

Food Subsidies.

The Minister of Food said that the food subsidies could not be reduced much further without cutting into the subsidies paid to home producers. At present the Exchequer made about £14 millions profit on imported meat and £11 millions profit on imported bacon and these profits went towards the agricultural subsidies. The subsidies paid for bread (£45 millions), milk (£40 millions) and welfare schemes (£46 millions) could be progressively reduced, but not without some increase in the cost of living.

The Chancellor of the Exchequer suggested that the Economic Policy Committees should keep the food subsidies under continuous review and should report later to the Cabinet. The reduction of subsidies up to date had played a striking part in the freeing of the economy.

The President of the Board of Trade drew attention to the fact that excessive demands for Government expenditure were being made both on capital and on current account. He was convinced that, taken together, they were more than the economy could bear and were only being made at the expense of our overseas trading position. So long as they continued at the present rate he did not think that industry could achieve the necessary export targets, but he recognised that no major reduction could be made without major changes in policy.

The Chancellor of the Exchequer suggested that the Cabinet should take note of the two memoranda before them (C. (53) 166 and C. (53) 211). He was glad to have the assurances of the Minister of Housing and the Minister of Works that they understood the dangers to the economy of overloading the building industry and exceeding the housing programme. He would discuss further with the Minister of Education administrative economies and the prospects of future savings by changes in long-term policy. The Economic Policy Committee should keep the food subsidies under continuous review. He would bear in mind the demands on the Exchequer in relation to capital account for loans from the Exchequer or for guarantees for loans raised on the market. He asked that all Ministers should give instructions that the estimates for the services for which they were responsible for the forthcoming year were to be prepared on the basis of the most rigorous economy. If that were done and if he could reach some satisfactory agreement on the level of defence expenditure, he hoped that the position could be held in 1954. The situation after 1954, however, contained elements of great danger.

The Cabinet—

(1) Endorsed the conclusions and recommendations in paragraph 17 of C. (53) 166.

(2) Took note of the economic situation, as set out in C. (53) 211, and invited all Ministers in charge of Departments to prepare their estimates for 1954 on the basis of the most rigorous economy.
5. The Cabinet had before them a note by the Lord Privy Seal and the Commonwealth Secretary (C. (53) 204) covering a memorandum outlining the considerations which would have to be taken into account in deciding whether facilities should be given for televising the Opening of Parliament.

The Lord Privy Seal said that there were strong arguments against granting such facilities at any time, and there would be particular difficulty in doing so in the coming autumn. Informal soundings would have to be taken in both Houses of Parliament, and these could not be carried out in the short time remaining before Parliament rose for the summer recess. In any event he believed that television of the Opening of Parliament for the 1953-54 Session would seem something of an anti-climax after the television of the Coronation.

In discussion it was argued that there was no true comparison between the Opening of Parliament and the Coronation; for the former was essentially a political occasion and there would be particular objection to the televising of The Queen's Speech. The point was also made that any facilities granted for television would have to be extended to the newsreel companies, and that there would be great difficulty in finding room for both television and newsreel cameras, even in the Royal Gallery.

It was the general view of the Cabinet that no encouragement should be given to the idea that any facilities could be granted for televising the Opening of Parliament.

The Cabinet—

Agreed that no further action should be taken on the suggestion that facilities should be given for televising the Opening of Parliament.

6. The Cabinet resumed their consideration of the timing of an announcement of Government policy on the recognition of certain Staff Associations in the Post Office.

The Postmaster-General said that, although he would not press for an immediate announcement, he would greatly prefer it in view of the Government's earlier undertakings and of the risk that, if an announcement were made in the recess, they would be accused of deliberately depriving Parliament of the opportunity for a discussion. Lord Listowel had put down a Question on the matter for answer in the House of Lords that afternoon.

The Minister of Labour said that Mr. Marlowe, M.P., who led the small group of Government supporters which had recently tabled a Motion in favour of granting recognition to the Engineering Officers (Telecommunications) Association (E.O.T.A.) had informed him that the purpose of the Motion was to demonstrate its sponsors' reluctance to abandon their previous attitude on this matter rather than to embarrass the Government. From the point of view of industrial relations generally, there was no reason for deferring an announcement.

It was the general view of the Cabinet that, as the policy of non-recognition had to be announced sooner or later, it would be preferable to announce it before Parliament adjourned for the summer recess. In order, however, to preclude the possibility that the Opposition might seek to embarrass the Government by raising the matter in Committee of Supply in the House of Commons on 30th July, the announcement in both Houses should be deferred until that date. It would still be open to Mr. Marlowe, M.P., to raise the matter on the adjournment on 31st July.
The Cabinet proceeded to consider a draft of the proposed announcement, copies of which were handed round at the meeting. It was agreed that this draft could with advantage be shortened and various drafting amendments were suggested. It was further suggested that the oral statement in the House of Commons could be kept quite brief, if an undertaking were given to circulate in the Official Report the full text of the longer statement made by the Postmaster-General in the House of Lords.

The Cabinet—

(1) Agreed that the Government’s policy on this matter should be announced in reply to Questions in both Houses of Parliament on Thursday, 30th July, and invited the Lord President and the Postmaster-General to ask Lord Listowel to defer his Question accordingly.

(2) Invited the Chancellor of the Duchy of Lancaster, the Minister of Labour and the Postmaster-General, in consultation, to revise the draft statement in the light of the Cabinet’s discussion and to settle the final draft with the Chancellor of the Exchequer, the Home Secretary and the Lord Privy Seal.

The Cabinet had before them a memorandum by the Lord Privy Seal (C. (53) 210) seeking approval of a provisional legislative programme for the 1953-54 Session.

The Lord Privy Seal said that final decisions on the main Bills to be included in the programme need not be taken until the Cabinet came to consider the contents of The Queen’s Speech. Meanwhile, it was desirable to provide a reasonably firm foundation for the work of the Parliamentary draftsmen. Apart from the Housing, Leasehold and Town and Country Planning Bills, the programme contained little which seemed likely to engender serious controversy between the Parties: on the other hand, it contained several valuable measures—for example, the proposed Bills on Food and Drugs and Safety in Mines and Quarries. His paper made no reference to two other possible and controversial subjects for legislation, namely House of Lords Reform and University Franchise.

The Lord President said that his Committee had made some progress with their consideration of possible reform of the composition and powers of the House of Lords before their deliberations were interrupted by his being placed in charge of the Foreign Office. He would circulate a memorandum showing the point which had been reached in the Committee’s discussion of their problem.

The Home Secretary said that it now seemed that restoration of the University franchise might prove to be impracticable if plural voting was ruled out; and the Universities might have to be left to make their contribution to Parliament in the House of Lords.

The Chancellor of the Exchequer said that the Cabinet ought to consider these two matters further before reaching final decisions on the legislative programme for the next Session. Meanwhile, Lists A-D, annexed to C. (53) 210 would provide a suitable basis for the work of the Parliamentary draftsmen. A final decision about the inclusion of the Housing Bill could clearly not be taken until the Cabinet had before them the draft of a White Paper setting out in full the Government’s proposed future housing policy.

The following further points were made in the discussion:

(a) If the Government approved the Waverley Report (C. (53) 208) and decided to transfer responsibility for atomic energy from
the Ministry of Supply to a non-Departmental organisation, a place would have to be sought in the programme for the Atomic Energy Bill at present included in List E. (b) It was agreed that the proposed Copyright Bill should be added to List E.

The Cabinet—

(1) Approved Lists A to D annexed to C. (53) 210 as the provisional legislative programme for the 1953–54 Session.

(2) Invited the Lord President and the Home Secretary to bring before the Cabinet during the course of the summer recess proposals regarding House of Lords reform and University Franchise respectively.

8. The Cabinet had before them memoranda by the Home Secretary and the Lord President (C. (53) 203 and 209) regarding the legislation which would need to be passed before the United Kingdom could accede to the International Convention on Genocide.

The Home Secretary said that he had arranged for a draft of the necessary legislation to be prepared, in pursuance of the Cabinet’s decision of 4th September, 1952, and copies of this had been circulated with his memorandum. He had, however, set out in paragraph 3 of C. (53) 203 the objections which could be raised to legislation of this kind. He invited the Cabinet to decide whether, despite these objections, the Bill should be passed in order that we might be in a position to accede to the Convention.

In discussion it was pointed out that, although 42 countries had already acceded to the Convention, the United States had not yet done so and there was now some doubt whether they would. In the House of Commons there was a small group of Members who were interested in this Convention, and it was possible that they might work up some public feeling in favour of it. On the other hand it might be thought inexpedient at a time when the Royal Commission on Capital Punishment was about to present its Report, to bring forward legislation creating a new offence carrying the death penalty. It was suggested that we might at least defer further action until it was clear whether the United States intended to accede to the Convention.

The Cabinet—

(1) Took note of the draft Bill annexed to C. (53) 203.

(2) Agreed to defer for the time being their decision on the question whether legislation should be introduced for the purpose of enabling the United Kingdom to accede to the International Convention on Genocide.

9. The Home Secretary said that he and the Secretary of State for Scotland had received formal notice from the four Boundary Commissions constituted under the House of Commons (Redistribution of Seats) Act, 1949, of their intention to undertake at an early date a first general review of Parliamentary constituencies under the Act. Section 2 (4) of the Act required the Commissions to give notice in the London, Edinburgh and Belfast Gazettes of their intention to begin a review and in the ordinary course he would have thought it helpful to Members generally if he were to announce that
the review was about to begin. The review was expected to take several months to complete and the results were not likely to be ready to be laid before Parliament until the early part of 1954.

The Lord Privy Seal pointed out that the decision to undertake a review of constituencies was entirely a decision of the Boundary Commissions themselves. A Government statement at this time might have the effect of stimulating speculation on the question whether the Government might intend to seek an early dissolution of Parliament.

It was the view of the Cabinet that some form of announcement on this subject should be made in the House of Commons before the adjournment for the summer recess but that this announcement should be as unobtrusive as possible.

The Cabinet—

(1) Invited the Home Secretary to arrange for the forthcoming review of Parliamentary constituencies to be announced in the House of Commons before the summer recess by means of a reply to a written Question.

(2) Invited the Home Secretary to circulate for the Cabinet's information a memorandum explaining the basis and character of the Boundary Commissions' forthcoming review of constituencies.

Barbados.

Constitutional Reform.

10. The Colonial Secretary said that he had had occasion to consider the title to be given to the Chief Minister in Barbados. There were difficulties about the title "Prime Minister" which had been proposed: it seemed specially undesirable that this title should be assumed in a Colony which might in future become part of a West Indian Federation. This title should be reserved for the Chief Minister of the Federation. He was therefore disposed to suggest that the title "Premier" should be adopted. This would be in line with the titles used under the federal constitutions in force in Canada and Australia.

In discussion there was general agreement with the Colonial Secretary's view.

The Cabinet—

Invited the Colonial Secretary to arrange that the Chief Minister of Barbados should be known as "Premier" rather than "Prime Minister."

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