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SECRET

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C.C. (54)

82nd Conclusions

**CABINET**

*CONCLUSIONS of a Meeting of the Cabinet held in the Prime Minister's Room, House of Commons, S.W. 1, on Monday, 6th December, 1954, at 5.30 p.m.*

Present :

<p style="text-align: center;">The Right Hon. Sir WINSTON CHURCHILL, M.P., Prime Minister.</p> <p>The Most Hon. the MARQUESS OF SALISBURY, Lord President of the Council.</p> <p>The Right Hon. R. A. BUTLER, M.P., Chancellor of the Exchequer.</p> <p>The Right Hon. HAROLD MACMILLAN, M.P., Minister of Defence.</p> <p>The Right Hon. VISCOUNT SWINTON, Secretary of State for Commonwealth Relations.</p> <p>The Right Hon. A. T. LENNOX-BOYD, M.P., Secretary of State for the Colonies.</p> <p>The Right Hon. DUNCAN SANDYS, M.P., Minister of Housing and Local Government.</p> <p>The Right Hon. D. HEATHCOAT AMORY, M.P., Minister of Agriculture and Fisheries and Minister of Food.</p>	<p>The Right Hon. VISCOUNT KILMUIR, Lord Chancellor.</p> <p>The Right Hon. H. F. C. CROOKSHANK, M.P., Lord Privy Seal.</p> <p>The Right Hon. GWILYM LLOYD-GEORGE, M.P., Secretary of State for the Home Department and Minister for Welsh Affairs.</p> <p>The Right Hon. JAMES STUART, M.P., Secretary of State for Scotland.</p> <p>The Right Hon. Sir WALTER MONCKTON, Q.C., M.P., Minister of Labour and National Service.</p> <p>The Right Hon. PETER THORNEYCROFT, M.P., President of the Board of Trade.</p> <p>The Right Hon. OSBERT PEAKE, M.P., Minister of Pensions and National Insurance.</p>
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The Right Hon. Sir DAVID ECCLES, M.P., Minister of Education.

The following were also present :

<p>The Right Hon. JOHN BOYD-CARPENTER, M.P., Minister of Transport and Civil Aviation (<i>Item 1</i>).</p>	<p>The Right Hon. Sir REGINALD MANNINGHAM-BULLER, Q.C., M.P., Attorney-General (<i>Items 1-3</i>).</p>
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The Right Hon. PATRICK BUCHAN-HEPBURN, M.P., Parliamentary Secretary, Treasury (*Items 1-5*).

*Secretariat :*

The Right Hon. Sir NORMAN BROOK.  
Mr. R. M. J. HARRIS.

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**Industrial Disputes.**  
Railways.  
(Previous Reference :  
C.C. (54) 73rd  
Conclusions,  
Minute 5.)

1. The Cabinet were informed that the National Union of Railwaymen had broken off their current wages negotiation with the British Transport Commission and were likely to ask the Minister of Transport to intervene in the matter. The Minister of Labour and the Minister of Transport were preparing a memorandum on this question as a basis for Cabinet discussion later in the week.

**House of Commons Disqualification.**  
Mr. Peter Baker, M.P.

2. The Cabinet were informed that doubts had arisen on the question whether Mr. Peter Baker's seat in the House of Commons had been automatically vacated by his conviction on charges of forgery. When a similar case had occurred in 1903, the Attorney-General of the day had advised that the seat was vacated automatically by reason of the provisions of the Forfeiture Act, 1870; but it had now been questioned whether this advice was soundly based. The Government would be expected to express a view on this point early in the following week, when the time would have expired within which Mr. Baker might have applied for leave to appeal against his conviction.

The Cabinet—

Invited the Lord Chancellor and the Law Officers to advise them on the question whether Mr. Peter Baker's seat in the House of Commons had been vacated by reason of his conviction of forgery.

**Horror Comics.**

3. The Cabinet had before them memoranda by the Home Secretary and the Attorney-General (C. (54) 359 and 372) on the question whether legislation should be introduced to prohibit the publication and sale of sensational newspapers and magazines for children of the kind commonly described as "horror comics."

*The Home Secretary* said that there was a growing body of public opinion which favoured early Government action to restrict the circulation of this type of literature. No such action could be taken by the Government without legislation on the lines indicated in C. (54) 359. It would not be easy to frame such legislation: in particular, it would be difficult to define in statutory language the type of literature which was to fall within the prohibition. On the other hand, if the Government failed to take an initiative in this, there was a risk that legislation might be brought forward in the form of a Private Member's Bill, which would involve the Government in even greater embarrassment. The Home Secretary therefore sought authority to prepare a Bill for consideration by the Cabinet and, in order to forestall action by a Private Member, to make an early statement in the House of Commons that the Government were considering the possibility of legislation.

*The Secretary of State for Scotland* supported the proposals put forward by the Home Secretary.

The Cabinet—

- (1) Authorised the Home Secretary to arrange for the preparation of a draft Bill, for consideration by the Cabinet, to prevent the publication and sale of horror comics.
- (2) Authorised the Home Secretary to make an early statement in Parliament to the effect that the Government were considering the possibility of introducing legislation on this subject.

**House of Commons.**  
 Redistribution of Seats.  
 (Previous Reference : C.C. (54) 77th Conclusions, Minute 1.)

4. The Cabinet considered a memorandum by the Home Secretary and the Secretary of State for Scotland (C. (54) 352) analysing the recommendations made in the recent reports of the Boundary Commissions.

This analysis showed that some of the Commissions' recommendations had been put forward solely on account of their statutory obligation to recommend changes designed to produce numerical equality between constituencies. The Ministers proposed that Parliament should not be pressed to give effect to any recommendations in this category in respect of which it became evident that no political Party desired any change of the existing boundaries. For the rest, the Ministers proposed that the Government should support the Commissions' recommendations and invite Parliament to give effect to them. As regards the future, it was suggested that the Government should indicate their readiness to consider the introduction of legislation to amend the existing law in such a way as to relieve the Commissions of their obligation to recommend changes merely for the sake of producing numerical equality and to provide that these reviews of constituencies should be carried out at longer intervals.

In discussion there was general agreement with the Ministers' proposals for handling the immediate changes in constituency boundaries which were recommended in the reports of the Boundary Commissions.

As regards the future, there was support for the view that the existing law should be amended on the lines suggested in paragraph 5 of C. (54) 352. In particular, it was suggested that the interval between general reviews of constituency boundaries might with advantage be extended from 7 years to a period of 10-15 years. On the other hand, the point was made that the Government should not show too great a willingness to contemplate amending legislation lest this should be turned by the Opposition into an argument for amending the existing law before effect was given to the latest reports of the Boundary Commissions. Though some general statement would have to be made before Parliament was asked to deal with the specific changes recommended by the Commissions, it would be inexpedient that the impression should be created that amending legislation could be passed without difficulty or delay.

#### The Cabinet—

Approved the proposals in C. (54) 352, subject to the point raised in the discussion about the reference in Parliament to the possibility of amending legislation.

**Price of Sugar.**  
 (Previous Reference : C.C. (54) 55th Conclusions, Minute 8.)

5. The Cabinet considered a memorandum by the Minister of Food (C. (54) 363) inviting the Cabinet to decide whether the price at which sugar was sold by his Department to refiners should be increased by an amount likely to raise the retail price of sugar by  $\frac{1}{2}d.$  per lb.

In favour of this proposal the following arguments were put forward. The prospective loss on Government trading in sugar was partly due to the special purchase of Cuban sugar which had been made as a safeguard against the development of shortages after sugar ceased to be rationed. This additional purchase had been made for the protection of consumers, and it was reasonable that they should bear some part of the loss incurred on it. An increase in the retail price of sugar had been one of the measures recommended by the Cabinet Committee on Civil Expenditure. Ministers now saw difficulties in proceeding with several of the other measures recommended by that Committee, *e.g.*, the proposals for savings on the bread subsidy and on teachers' superannuation; and, if still more of the economy measures then envisaged had to be abandoned, the

prospects for the 1955 Budget would be seriously jeopardised. At present levels of employment the public could support an increase of  $\frac{1}{2}d.$  per lb. in the price of sugar. It would involve a rise of not more than  $\cdot 08$  of a point in the cost of living index.

On the other hand it was recognised that this price increase would be exploited by the Opposition, who were already seeking political advantage from increases in food prices which had occurred since the Government took office. It should be remembered, in this connection, that the prices of tea and meat were also likely to rise during the coming months. It would be preferable that any increase in sugar prices should be deferred until after the winter, when the increased benefits to pensioners would be coming into operation. There seemed also to be special difficulty in raising the price of sugar in this country at a time when the world price was falling. And it would be a new departure to require the consumer, in such circumstances, to bear the cost of liquidating Government stocks: in relation to other materials, the Government had hitherto followed the opposite policy of selling Government stocks at the current market price. Finally, it would be particularly difficult to justify an increase in the retail price of sugar so soon after the leading sugar refiners in this country had declared greatly increased profits and larger dividends.

It was the general view of the Cabinet that, in all the circumstances, the Chancellor of the Exchequer should first consider the possibility of reducing the apparent loss on Government trading in sugar by transferring supplies to the strategic stockpile, in the current year's accounts, at the original purchase price. If the loss could not be fully covered by this means and some increase must be made in the wholesale price at which Government sugar was sold in this country, the refiners should be pressed to bear at any rate some part of the increased cost out of their profits instead of passing all of it on to the consumer in an increase in the retail price.

#### The Cabinet—

Invited the Chancellor of the Exchequer to consider, in consultation with the Minister of Food, the suggestions which had been put forward in the Cabinet's discussion and to submit his recommendations to the Cabinet for consideration at a later meeting.

**The Public Services.**  
Rates of Retired Pay.  
(Previous Reference: C.C. (54) 12th Conclusions, Minute 4.)

6. The Cabinet considered a memorandum by the Chancellor of the Exchequer (C. (54) 378) about the retired pay of public servants.

The memorandum explained that prospective increases in rates of National Insurance and War Disability pensions were giving rise to pressure for improved pension rates for retired public servants, including former officers in the Armed Forces, civil servants and teachers. It was recommended that this demand, although it might be strongly pressed, should be resisted both on grounds of principle and because there would be serious practical difficulty in doing anything reasonable to meet it.

There was general agreement in the Cabinet that public pressure for such increases must be resisted. The Treasury should assist Ministers by suggesting the lines on which representations on the subject could best be answered.

#### The Cabinet—

- (1) Approved the proposal in C. (54) 378.
- (2) Invited the Chancellor of the Exchequer to arrange for guidance to be given to Ministers on the lines along which representations made to them on this subject could best be answered.

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**Colonial Immigrants.**  
(Previous Reference: C.C. (54) 78th Conclusions, Minute 4.)

7. The Cabinet had before them memoranda by the Home Secretary and the Colonial Secretary (C. (54) 375 and 379) about a Departmental Committee which it was proposed to appoint to consider what restrictions should be imposed, if any, on the immigration of coloured workers into the United Kingdom.

On the proposed membership and terms of reference of the Departmental Committee the following points were made:—

(a) It might be preferable not to include any Members of Parliament among the members of the Committee but to encourage the political Parties to give evidence before the Committee instead.

(b) Any impression that the Government favoured action involving racial discrimination could be avoided if the terms of reference suggested in C. (54) 354 were amended to read as follows:—

“To consider and report whether any and, if so, what changes in the law relating to the admission to the United Kingdom of British subjects from overseas, and to their subsequent stay in the United Kingdom, are necessary or desirable in the national interest and in the interest of the immigrants themselves.”

In further discussion, however, serious doubts were expressed about the expediency of proceeding with the appointment of such a Committee. It was bound to include some members who would be opposed in principle to any action which might appear to be discriminatory in character. At the best, therefore, the Government would be likely to find themselves obliged to act in disregard of a minority report, while at the worst the Committee's recommendations might make it impracticable for the Government to take any action in the matter.

The Cabinet were reminded that those Ministers who had hitherto favoured the appointment of a Committee had been influenced by the belief that no legislation on this subject could be passed during the current session and that, if the problem were remitted meanwhile for study by a Committee, it would be easier for the Government to hold the position until legislation became practicable. In fact, however, there appeared to be a surprisingly wide body of opinion in favour of immediate action, and it was arguable that some of those who might acquiesce in such action might find it less easy to give public evidence in support of it before a Committee. As a next step the draft of a Bill might be prepared in order that Ministers might be better able to judge whether early legislation on the subject could be attempted. The point was made that a decision to proceed with such legislation during the current session would almost certainly mean the abandonment of some other measure already included in the legislative programme.

**The Cabinet—**

Invited the Home Secretary and the Colonial Secretary to arrange for the preparation of draft legislation designed to place suitable restrictions upon the admission of British subjects from overseas to the United Kingdom and upon their subsequent stay there, and to submit such draft legislation for consideration by the Cabinet.

**Pensions for Old Age and War Disability.**  
(Previous Reference: C.C. (54) 78th Conclusions, Minute 3.)

8. The Cabinet held a brief discussion about the line to be taken by the Government spokesman in the forthcoming debate on the Second Reading of the National Insurance Bill on the recommendation in the report of the Phillips Committee that the age at which the National Insurance retirement pension became payable should be raised over a period of years from sixty-five to sixty-eight.

On the one hand, the view was expressed that the Government should as soon as possible make it clear that they were not disposed

to accept this recommendation. This was desirable in order to counter rumours to the effect that it was the Government's intention to offset the prospective increase in pension rates by raising the age of retirement. The Cabinet were informed that it had already been found desirable to issue a statement, on the authority of the Treasury, to the effect that this particular recommendation of the Phillips Committee would need to be considered by the Government in common with the Committee's other recommendations.

On the other hand it was argued that, although this particular recommendation was open to obvious objections, it would be right that the Government should be seen to have had an opportunity to consider the Committee's report as a whole and that such consideration should not seem to be prejudiced by public statements about particular recommendations of a kind which might make it difficult for the Government to take action, if they so desired, at a later date.

The Cabinet—

Invited the Minister of Pensions and National Insurance to consider with the Chancellor of the Exchequer what should be said in the forthcoming debate on the recommendation of the Phillips Committee about the minimum age at which retirement pension might be payable in the future.

**European Coal and Steel Community.**  
(Previous Reference: C.C. (54) 70th Conclusions, Minute 7.)

9. *The Minister of Housing* said that, in his further negotiations for the conclusion of an agreement for the closer association of the United Kingdom with the European Coal and Steel Community, he was finding it unavoidable to accept certain minor modifications of the draft form of agreement which the Cabinet had approved on 25th October. These modifications of the draft agreement involved some shift of emphasis, from the High Authority of the Community to the Council of Ministers, in the arrangements for future consultation between the Community and the United Kingdom. In these negotiations he was proceeding in agreement with the Foreign Secretary and the other Ministers directly concerned.

The Cabinet—

Took note of this statement.

*Cabinet Office, S.W. 1.*  
*6th December, 1954.*