CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1, on Tuesday, 22nd November, 1955, at 11.30 a.m.

Present:
The Right Hon. Sir Anthony Eden, M.P., Prime Minister.
The Most Hon. the Marquess of Salisbury, Lord President of the Council.
The Right Hon. Viscount Kilmuir, Lord Chancellor.
The Right Hon. James Stuart, M.P., Secretary of State for Scotland.
The Right Hon. Selwyn Lloyd, Q.C., M.P., Minister of Defence.
The Right Hon. Peter Thorneycroft, M.P., President of the Board of Trade.
The Right Hon. Osbert Peake, M.P., Minister of Pensions and National Insurance.
The Right Hon. R. A. Butler, M.P., Chancellor of the Exchequer.
The Right Hon. Viscount Woolton, Chancellor of the Duchy of Lancaster.
The Right Hon. Gwilym Lloyd-George, M.P., Secretary of State for the Home Department and Minister for Welsh Affairs.
The Right Hon. the Earl of Home, 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. Duncan Sandys, M.P., Minister of Housing and Local Government.
The Right Hon. D. Heathcoat Amory, M.P., Minister of Agriculture, Fisheries and Food.
The Right Hon. Sir David Eccles, M.P., Minister of Education.
The Most Hon. the Marquess of Reading, Q.C., Minister of State for Foreign Affairs.

The following were also present:
Dr. the Right Hon. Charles Hill, M.P., Postmaster General (Items 1-4).
The Right Hon. Patrick Buchanan-Hepburn, M.P., Parliamentary Secretary, Treasury (Items 1-4).

Secretariat:
Mr. H. O. Hooper.
Mr. F. A. Bishop.
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1. The Cabinet had a preliminary discussion of the business which might be taken in the House of Commons during the following week, subject to satisfactory progress being made with the Finance Bill.

It was proposed provisionally to arrange for a debate on the Fortnight Rule and it was agreed that further consideration should be given to the request put forward by the Opposition for a debate on the Middle East. It was noted that any statement which the Government might feel obliged to make on the course of events in Cyprus could be expected to provoke a request for an immediate debate on the Government's policy.

It was agreed after discussion not to attempt to shorten the Committee Stage of the Finance Bill by introducing a guillotine motion on 28th November. It was felt that, in spite of the obstructionist tactics being pursued by the Opposition, this procedure, which was last invoked for a Finance Bill in 1931, was constitutionally inappropriate for a Bill of this nature, especially when the Government had a satisfactory majority. It was recognised that, if the Committee Stage of the Bill continued beyond the end of the following week, there was some risk that its remaining stages would not be completed before the Christmas recess.

2. The Cabinet were informed that a Private Member's Bill introduced by Mr. Ernest Davies, M.P., to authorise small lotteries and small card and gaming parties subject to the conditions recommended by the Royal Commission on Betting, Lotteries and Gaming, was due to receive its Second Reading in the House of Commons on Friday, 25th November.

The Home Secretary said that when an almost identical measure had been introduced in the last session by Sir Eric Errington, M.P., there had been some criticism of the Government for failing to bring in a Bill to give effect to the recommendations of the Royal Commission and for adopting an unnecessarily cautious attitude towards a Private Member's Bill which attempted to remedy some of the defects in the law.

In discussion there was support for the view that, as the present law on the subject of small lotteries and gaming was manifestly unsatisfactory, it would be right for the Government not to put impediments in the way of a Private Member's Bill which sought to improve it. It was therefore agreed that it should be made clear to Government supporters that the Government did not wish to oppose the Bill. This would leave individual members free to vote according to their consciences or to abstain, as they wished.

The Cabinet—

Agreed that it should be made clear to Government supporters that the Government did not wish to oppose the Small Lotteries and Gaming Bill introduced in the House of Commons by Mr. Ernest Davies, M.P.

3. The Cabinet resumed their discussion of the arrangements for a debate in the House of Commons on the question of restricting the broadcast discussion of issues about to be debated in Parliament, and considered the terms of a motion which the Government might put down.

It became clear in discussion that there were difficulties in drafting a motion which would be satisfactory from the Government's point of view and at the same time acceptable to the Labour Opposition. It would no doubt help to secure the agreement of the
Opposition if the terms of the motion included a proposal that a Select Committee should be appointed to consider whether any changes might be desirable in the present practice. There were no serious objections in principle to the appointment of a Select Committee and to include a reference to it in the terms of the motion would, to some extent, anticipate Opposition pressure on the matter. But the fact remained that the Prime Minister had, in answer to a Parliamentary Question, refused to agree to the appointment of a Select Committee, and to put forward a motion which provided for it would create an unjustified impression that the Government had felt compelled to give way on the point.

It was agreed in further discussion that the preferable course would be to treat the subject as one on which the Government were anxious to obtain the views of the House and to allow the debate to take place on the Motion for the Adjournment. This course would, however, require the agreement of the Opposition Leaders.

The Cabinet—

Invited the Lord Privy Seal to be guided by the sense of their discussion in attempting to make arrangements with the Leaders of the Opposition for a debate on the Fortnight Rule.

4. The Cabinet considered the line which should be taken in reply to a Parliamentary Question which had been put down by Mr. S. Silverman, M.P., for answer by the Prime Minister on 24th November. The Question sought information on the steps which the Government proposed to take to ascertain the present state of public opinion as to the death penalty, in view of the Government's refusal to grant time for the discussion of the Bill which Mr. Silverman had introduced, and the belief that there had been a swing of public opinion in favour of abolishing the death penalty.

The Home Secretary said that although there had been a renewal of propaganda on this subject there was no evidence of any change in public opinion in regard to it. On the other hand, the reception accorded to Mr. Silverman's Bill had shown the widespread concern felt in the House of Commons on the subject of the death penalty. An unremitting pressure for the further discussion of this matter could now be expected.

The following points were made in discussion:—

(a) The fact that a new House of Commons had been elected since the question of the death penalty had been last debated could be regarded as sufficient grounds for the further discussion of a matter of such importance.
(b) Although there had been in February a majority of 36 against the suspension of the death penalty for five years, it must be considered doubtful whether there would be a majority in the new House of Commons for the maintenance of the death penalty.
(c) It was unlikely that time could be found for a debate before the Christmas recess.

It was agreed that, in these circumstances, it would be right to say, in reply to Mr. Silverman, that the Government were not opposed in principle to a further debate on the question of capital punishment but that it would not be possible to find time for such a debate in the near future. It was also agreed that, in preparation for such a debate, it would be necessary for the Government again to consider their policy in the matter, and the Home Secretary undertook to circulate a memorandum which would serve as a basis for discussion.
The Cabinet—

(1) Agreed that, in reply to a Parliamentary Question on 24th November, the Prime Minister should state that the Government were not opposed in principle to the holding of a further debate in the House of Commons on the question of capital punishment, but that it would not be possible to find time for such a debate in the near future.

(2) Invited the Home Secretary to circulate a memorandum to serve as a basis for the further discussion of the Government’s policy in this matter.
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CM(55) 42nd Conclusions Item 5

CLOSED UNTIL 2006

under LCI No 75

(date)  1/11/85
(Signed)  Smith
6. The Cabinet had before them a memorandum by the Chancellor of the Exchequer (C.P. (55) 173) covering a revised draft of the White Paper on the Implications of Full Employment and seeking approval for its publication.

The Chancellor of the Exchequer said that the White Paper was not an exhortation for restraint in wage claims and dividend distribution, but explained the problems of achieving and maintaining relative price stability as an essential factor in the maximum expansion of a balanced economy. The White Paper deliberately adopted a long-term approach to this question and, in presenting the facts, had been drafted as impartially as possible. It might nevertheless attract some political criticism, for example on the three points mentioned in paragraph 3(c) of C.P. (55) 173. The most important section of the White Paper (Section VI) recognised that it was inevitable that productivity should increase faster in some sectors of the economy than in others, and it explained the need for the benefits of the increase in productivity in those sectors where it was most substantial and rapid to be shared by way of lower prices with the other sectors of the economy.

It was not likely that the White Paper would attract much popular attention, but it could serve an important educative purpose. The best time to publish it would be after the Finance Bill had been passed, at about the middle of December.

Discussion showed that it was the general view of the Cabinet that publication of the White Paper would be useful as a contribution to the education of public opinion in the problems created by full employment. The Cabinet were informed that a popular version was in course of preparation. It was suggested that the lessons contained in the White Paper should also be expounded by Ministers in speeches in the near future.

The Minister of Education said that the most effective method of disseminating the lessons of the White Paper would be through discussion groups. He undertook to try to get the White Paper adopted as a basis for discussion by adult education organisations.

As regards the time of publication, it was pointed out that it was desirable that the White Paper should have been published before the forthcoming wage negotiations had reached a delicate stage. On this account, the White Paper, and also the popular version of it, should if possible be published on 8th December.

On the content of the White Paper the following suggestions were made:

(a) The President of the Board of Trade said that it might be emphasised that since 1938 the real value of dividends had decreased
by one-third, while the real value of wages and salaries had increased by one-third.

(b) The Lord Chancellor suggested that the White Paper should contain a final summary of the main points and lessons in it.

The Chancellor of the Exchequer said that he would consider these points, together with any others which Ministers might wish to send to him.

The Cabinet—
Agreed that the draft White Paper attached to C.P. (55) 173, subject to any amendments approved by the Chancellor of the Exchequer, should be published if possible on 8th December, and that a popular version of it should be published at the same time.
The Cabinet—

(1) Invited the Colonial Secretary to instruct the Governor of Cyprus that no announcement about the formula should be made for the time being.

(2) Invited the Minister of State for Foreign Affairs to arrange for H.M. Ambassador in Paris to explain the formula to the King of Greece.

(3) Took note that the Colonial Policy Committee would consider the form of any announcement about the formula which might become necessary, and the question of policy in Cyprus generally, at their meeting on 24th November.

8. The Minister of Pensions said that the Chairman of the National Assistance Board had intimated that in his view there should be an increase of 4s. 6d. in the rate of assistance for a single person, with appropriate increases in the other rates of National Assistance, because of the rise in the cost of living. Before the Board made a formal recommendation, he wished to indicate to the Chairman what increases the Government would regard as reasonable, with a view to dissuading the Board from recommending increases which the Government could not accept.

The Minister of Pensions said that the minimum increase that could in practice be granted would be 2s. 6d. for a single person. Of this, however, 1s. 6d. would be needed, in view of the current increase in the cost of living, to restore the value of the scale established last February. An increase of 2s. 6d. was therefore hardly adequate to meet likely further increases in the cost of living. He therefore recommended that he should indicate to the Chairman of the Board that the Government would accept an increase of 3s. 6d. in the rate for a single person, with appropriate increases in the other rates. If this were done, there would be a good hope of avoiding applications for further increases for a considerable period.

The Chairman might well not be able to persuade the Board to recommend an increase as low as 3s. 6d. If the Board were to recommend an increase which the Government could not accept, their recommendations, together with the Government's reasons for refusing to accept them, would have to be published.

The Chancellor of the Exchequer said that it was disappointing that although the Government, in order to mitigate the increase in the cost of living, had decided not to abolish the bread subsidy, the National Assistance Board were now in any event pressing for increased rates of assistance. He hoped therefore that the increase in the scale for a single person would not be more than 2s. 6d. Increases on this basis would maintain the value of the scales established last February until the Retail Prices Index rose to 158 points, and would therefore provide a sufficient margin for the time being. Even this increase would cost the Exchequer £12 millions.

In discussion it was suggested that if the increase in the rate for a single person were now limited to 2s. 6d., this would leave open the possibility of a further increase if it were decided to take some action later to relieve the Exchequer, such as the abolition of the bread subsidy, which would have the effect of further increasing the cost of living. There was a likelihood that in any event the Retail Prices Index would show a further rise over the next few months, but this might not be so substantial as to absorb the whole value of an increase of 2s. 6d.

On the other hand, it was pointed out that, although the cost of an increase in National Assistance scales was substantial, a considerable saving had already been effected in the cost of National Assistance since the spring.
Further discussion showed that it was the general view of the Cabinet that the Minister of Pensions should indicate to the Chairman of the National Assistance Board that in the Government's view the increase in the scale of assistance for a single person should be no more than 2s. 6d. and to express the hope that the Board could be persuaded to limit their recommendations to increases on this basis.

The Cabinet—

Invited the Minister of Pensions to inform the Chairman of the National Assistance Board that in the Government's view the increases in the scales of National Assistance should be on the basis of not more than 2s. 6d. for a single person.

9. The Cabinet were informed of the progress of the negotiations for the financing of the Aswan High Dam.

The Chancellor of the Exchequer said that Mr. Black, the President of the International Bank, had now suggested that a working party should be set up under a Chairman appointed by the Bank, on which the United Kingdom, United States and Egyptian Governments would be represented. This might help to persuade the Egyptian Government to look to the West for the help necessary to carry out the project. It might still be desirable at a later stage to seek the co-operation of the United States Government in pressing Mr. Black to provide Bank support for the project without insisting on some of the conditions which he was at present inclined to think were necessary. There was a danger, as was clear from the views which Colonel Hilmi, the Egyptian co-ordinator in charge of the High Dam project, had expressed in Paris, that the Egyptian Government might still turn to the Russians if they found that they were unable to make satisfactory arrangements for credit if the contract were awarded to the consortium of European firms.

Discussion showed that it was the general view of the Cabinet that the Government should express their willingness to take part in a working party under the aegis of the International Bank, even if this meant that it would be more difficult to avoid some commitment towards the financing of the project, in addition to being prepared to release Egypt's sterling balances.

The Cabinet—

Invited the Chancellor of the Exchequer to arrange for the President of the International Bank to be informed that the United Kingdom Government would support the establishment of a working party on the Aswan High Dam project.

Cabinet Office, S.W. 1,
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