



(c) crown copyright

SECRET

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

Printed for the Cabinet. May 1959

C.C. (59)
31st Conclusions

Copy No. 32

CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1, on Tuesday, 12th May, 1959, at 11 a.m.

Present:

The Right Hon. HAROLD MACMILLAN, M.P., Prime Minister (*Items 2-6*).

The Right Hon. R. A. BUTLER, M.P., Secretary of State for the Home Department and Lord Privy Seal (*In the Chair for Item 1*).

The Right Hon. D. HEATHCOAT AMORY, M.P., Chancellor of the Exchequer (*Item 1*).

The Right Hon. ALAN LENNOX-BOYD, M.P., Secretary of State for the Colonies.

The Right Hon. VISCOUNT HAILSHAM, Q.C., Lord President of the Council.

The Right Hon. IAIN MACLEOD, M.P., Minister of Labour and National Service.

The Right Hon. HAROLD WATKINSON, M.P., Minister of Transport and Civil Aviation.

The Right Hon. JOHN HARE, M.P., Minister of Agriculture, Fisheries and Food.

The Right Hon. VISCOUNT KILMUIR, Lord Chancellor.

The Right Hon. The EARL OF HOME, Secretary of State for Commonwealth Relations (*Items 2-6*).

The Right Hon. JOHN MACLAY, M.P., Secretary of State for Scotland.

The Right Hon. DUNCAN SANDYS, M.P., Minister of Defence.

The Right Hon. LORD MILLS, Minister of Power.

The Right Hon. GEOFFREY LLOYD, M.P., Minister of Education.

Dr. The Right Hon. CHARLES HILL, M.P., Chancellor of the Duchy of Lancaster.

The Right Hon. REGINALD MAUDLING, M.P., Paymaster-General.

The following were also present:

The Right Hon. D. ORMSBY-GORE, M.P., Minister of State for Foreign Affairs.

The Right Hon. EDWARD HEATH, M.P., Parliamentary Secretary, Treasury.

Mr. C. J. M. ALPORT, M.P., Parliamentary Under-Secretary of State for Commonwealth Relations (*Item 1*).

Secretariat:

The Right Hon. Sir NORMAN BROOK.
Mr. F. A. BISHOP.
Mr. M. REED.

SECRET

CONTENTS

<i>Minute No.</i>	<i>Subject</i>	<i>Page</i>
1	Government Information Services Book Exports	3
2	Parliament	4
3	International Labour Organisation	4
4	Education Voluntary Schools	4
5	Commercial Policy Liberalisation of Dollar Imports	5
6	Cabinet Procedure	5

C.C. 31 (59)

Government
Information
Services.
(Previous
Reference :
C.C. (58) 76th
Conclusions,
Minute 7.)
Book Exports.

1. The Cabinet had before them a memorandum by the Chancellor of the Duchy of Lancaster (C. (59) 78) covering a report by a working party recommending measures to increase the export of British books and periodicals.

The Chancellor of the Duchy of Lancaster said that there was an increasing demand for books in English, especially in Asia and Africa. Publishers had expanded their commercial sales in many oversea markets, but in many countries people were too poor to buy even the cheapest British books which were on sale commercially. Moreover, certain countries were not prepared to use their sterling earnings to purchase books at commercial prices. The Soviet Union and China were taking advantage of the unsatisfied demand by heavily subsidising their exports of books. A high proportion of this material was in English, and although it was not at present being used for direct propaganda purposes to any large extent, a pattern of supply and distribution was being created which would enable Russia and China to dominate the market with propaganda in the future, and we were losing the opportunity of propagating British ideas and influence. In order to stimulate the supply of British books and periodicals overseas, a number of schemes had been worked out in relation to the importance of maintaining British influence in the countries concerned. In Indonesia, Pakistan, Poland, Turkey, Yugoslavia and Israel the best course would be to negotiate book export schemes, in which we should be prepared to accept blocked local currency. In certain territories in the Middle East, Africa and Asia, we should introduce subsidised schemes to provide low-priced publications, both in English and in the vernacular languages. In addition, we should improve library and other systems of distribution, and take steps to encourage the sale of British newspapers and periodicals overseas.

It would be possible for these purposes to find £100,000 a year out of the £16½ millions a year at present authorised for the oversea information services. The net additional expenditure on all the measures described would therefore amount to no more than £150,000 in the current financial year, £550,000 in 1960-61 and £755,000 in 1961-62. These estimates of additional expenditure would also be reduced to the extent that further savings could be secured in the general overseas services of the British Broadcasting Corporation (BBC).

The Chancellor of the Exchequer said that, while he recognised the importance of the programme which had been put to the Cabinet, he was most unwilling, in view of the forecast of substantial increases in the cost of civil programmes to which the Government were already committed, to accept additional commitments at the present time. He hoped to be able, in about two months' time, to make a better estimate of future expenditure: until then the most he could accept would be the inclusion of such of the measures as could be afforded within the expenditure of £16½ millions currently authorised for the oversea information services, and the addition of £250,000 to that expenditure in 1960-61.

Discussion showed that there was general support for the proposal that appropriate measures should be taken to stimulate the export of British books, particularly to Commonwealth countries and Colonial territories in Asia and Africa. To maintain British influence in this way would, in the end, be much less expensive than the other measures that might have to be taken to retrieve a situation which had deteriorated. In reply to a suggestion that this might be a suitable field for Anglo-American co-operation, it was pointed out that the schemes which the United States Government were already operating to subsidise the export of books were confined to American productions.

The Lord Privy Seal suggested that the Chancellor of the Duchy of Lancaster should consider whether this programme to encourage book exports could be reduced. It might be possible to dispense with certain of the schemes which had been suggested, such as the low-priced book programme in the vernacular languages and the scheme to promote the sale of British periodicals and newspapers. Other offsetting economies might also be made, in addition to the £100,000 a year which had been offered: there was, for example, the possibility of a further saving on account of the general overseas services of the BBC.

The Cabinet—

- (1) Invited the Chancellor of the Duchy of Lancaster to discuss with the Chancellor of the Exchequer proposals for a less costly programme of book exports, taking into account all offsetting economies which could be found in other parts of the overseas information services.
- (2) Invited the Chancellor of the Duchy of Lancaster to submit a further report to the Cabinet in due course.

Parliament.

2. The Cabinet were informed of the business to be taken in the House of Commons in the week after the Whitsun recess.

International
Labour
Organisation.

3. The Cabinet had before them a memorandum by the Minister of Labour (C. (59) 87) regarding two Conventions adopted by the International Labour Conference.

(Previous
Reference :
C.C. (58) 79th
Conclusions,
Minute 5.)

The first of these Conventions (No. 111), adopted by the Conference of 1958, was concerned with discrimination in respect of employment and occupation. Some of its provisions assumed a degree of Government participation in determining terms and conditions of employment which would be contrary to established practice in this country. It also involved acceptance of the principle of equal pay for men and women in all forms of employment. It was proposed that the United Kingdom Government should refrain from ratifying this Convention or accepting the Recommendation which supplemented it.

The second was a Convention (No. 87), adopted by the Conference of 1948, concerning the freedom of association of workers. Our original ratification of this Convention in 1949 had applied only to Great Britain, because the law then in force in Northern Ireland did not comply with the requirements of the Convention. Changes had since been made in the law in Northern Ireland, and it was now proposed that our ratification should be so extended as to apply to the United Kingdom as a whole.

The Cabinet—

Approved the proposals in C. (59) 87, and authorised the Minister of Labour to present to Parliament a White Paper explaining the Government's decisions in respect of these two Conventions.

Education.
(Previous
References :
C.C. (59) 30th
Conclusions,
Minute 7 and
C.C. (59) 17th
Conclusions,
Minute 8.)
Voluntary
Schools.

4. *The Home Secretary* recalled that the Government were proposing to raise the maximum grant payable for voluntary school building work from 50 per cent. to 75 per cent. and to introduce a new grant of up to 75 per cent. for the provision of new secondary schools needed to match existing aided primary schools of the same denomination. The Church of England and the Roman Catholic Church were content with these proposals, but the Free Churches

C.C. 31 (59)

were opposing them. Their opposition, especially to the second of the proposals, had recently been hardening and, although it might be possible to mitigate by further discussion the strength of their opposition, there was little prospect of securing their agreement to the plan. At the same time, the Roman Catholic authorities were beginning to be apprehensive that the opposition of the Free Churches might cause the Government to change their plan or at least to delay its implementation. The Government were now confronted with a choice between (i) proceeding in the current session with legislation which was likely to receive substantial support from the other two political Parties, at the risk of alienating Free Church opinion, and (ii) issuing a statement, which the other two Parties might be willing to support, that the Government intended to introduce this legislation in the next session and using the intervening time to make a further attempt to conciliate the Free Churches.

The Cabinet discussed the political advantages and disadvantages of these alternative courses. No conclusion was reached.

The Cabinet—

Agreed to resume their discussion of this question at a later meeting.

Commercial
Policy.
Liberalisation
of Dollar
Imports.
(Previous
Reference :
C.C. (59) 27th
Conclusions,
Minute 4.)

5. *The Prime Minister* said that he continued to be concerned about the presentation, to public opinion in this country, of the Government's decision to relax some of the existing restrictions on imports from the United States. There seemed to be little prospect that the United States Government would show a more accommodating attitude on any of the particular instances of discrimination against British products which were currently causing concern in this country. People might therefore find it difficult to understand why the Government had chosen this particular moment to relax restrictions on dollar imports. This decision could be said to reflect the strength of sterling. Use could also be made of the argument that the particular instances of discrimination against British productions were exceptions to a general pattern of increasing exports from this country to the United States. Special care should be taken to see that these and other considerations supporting the Government's decision were fully presented to the public.

The Cabinet—

Invited the Chancellor of the Duchy of Lancaster to concert with the Chancellor of the Exchequer arrangements for the public presentation of the Government's decision to relax restrictions on imports from the United States.

Cabinet.
Procedure.

6. *The Prime Minister* said that, unless an earlier meeting was required to deal with emergency business, the next meeting of the Cabinet would be held on 27th May.

Parliament would return from the Whitsun recess on 2nd June and would have to complete a large volume of important business before it rose at the end of July. In that period Ministers should concentrate on completing the business to which the Government were already committed and should, so far as possible, avoid raising fresh issues in the remaining weeks of the present session of Parliament.

Cabinet Office, S.W. 1,
12th May, 1959.

E.R.

