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C.C. (59)
62nd Conclusions

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CABINET

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

Present:

The Right Hon. HAROLD MACMILLAN, M.P., Prime Minister.

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| The Right Hon. R. A. BUTLER, M.P., Secretary of State for the Home Department (<i>Items 1-8</i>). | The Right Hon. VISCOUNT KILMUIR, Lord Chancellor. |
| The Right Hon. SELWYN LLOYD, Q.C., M.P., Secretary of State for Foreign Affairs (<i>Items 1-8</i>). | The Right Hon. D. HEATHCOAT AMORY, M.P., Chancellor of the Exchequer. |
| The Right Hon. JOHN MACLAY, M.P., Secretary of State for Scotland. | The Right Hon. VISCOUNT HAILSHAM, Lord Privy Seal and Minister for Science. |
| The Right Hon. DUNCAN SANDYS, M.P., Minister of Aviation. | The Right Hon. HAROLD WATKINSON, M.P., Minister of Defence. |
| The Right Hon. HENRY BROOKE, M.P., Minister of Housing and Local Government and Minister for Welsh Affairs. | The Right Hon. Sir DAVID ECCLES, M.P., Minister of Education. |
| The Right Hon. LORD MILLS, Paymaster-General. | The Right Hon. REGINALD MAUDLING, M.P., President of the Board of Trade. |
| The Right Hon. JOHN HARE, M.P., Minister of Agriculture, Fisheries and Food. | The Right Hon. EDWARD HEATH, M.P., Minister of Labour. |
| Dr. The Right Hon. CHARLES HILL, M.P., Chancellor of the Duchy of Lancaster. | The Right Hon. ERNEST MARPLES, M.P., Minister of Transport. |

The following were also present:

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| The Right Hon. GEORGE WARD, M.P., Secretary of State for Air (<i>Item 7</i>). | The Right Hon. JOHN BOYD-CARPENTER, M.P., Minister of Pensions and National Insurance (<i>Item 6</i>). |
| The Right Hon. RICHARD WOOD, M.P., Minister of Power (<i>Item 9</i>). | Mr. C. J. M. ALPORT, M.P., Minister of State, Commonwealth Relations Office (<i>Item 7</i>). |
| The Right Hon. Sir REGINALD MANNINGHAM-BULLER, Q.C., M.P., Attorney-General (<i>Item 8</i>). | The Right Hon. MARTIN REDMAYNE, M.P., Parliamentary Secretary, Treasury (<i>Items 1-8</i>). |

Secretariat:

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

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Parliament.

1. The Cabinet were informed of the business to be taken in the House of Commons in the following week.

The Cabinet were also informed that Parliament would be adjourned for the Christmas recess on 17th December and would reassemble on 26th January.

Education.
(Previous
Reference:
C.C. (59) 51st
Conclusions,
Minute 6.)

2. *The Minister of Education* said that he would be publishing on the following day a report prepared by his Central Advisory Council under the Chairmanship of Sir Geoffrey Crowther, which contained a number of far-reaching recommendations, including the raising of the school-leaving age to 16 and compulsory part-time education up to the age of 18 in county colleges. These recommendations would not, in the main, require fresh legislation; but they would be very costly and the Government would need time for thought and consultation before reaching conclusions upon them. Until then it was important that Ministers should avoid committing themselves publicly to support of any of these recommendations.

In discussion it was pointed out that this report would also provoke speculation about the need for further expansion of the facilities for university education and about the effect of university requirements on school curricula. The Government must soon define their attitude towards those aspects of this problem.

The Cabinet—

- (1) Took note of this statement by the Minister of Education.
- (2) Took note that the Prime Minister would consider whether special arrangements should be made to enable Ministers to discuss the implications which some of the recommendations in this report might have on university education.

Road Traffic.
(Previous
Reference:
C.C. (58) 76th
Conclusions,
Minute 6.)

3. *The Minister of Transport* said that in a debate in the House of Commons that afternoon he was likely to be pressed to continue and to extend to other areas systems of traffic control similar to the "Pink Zone" scheme which he had introduced as a temporary measure in central London. This would require legislation for which no provision had been made in the legislative programme for the current session. If, however, Parliamentary time could be found it would be very useful to have legislation enabling him to introduce measures of traffic control in limited areas and possibly for a limited time.

In discussion it was recognised that it might well become necessary to find time during the current session for such a Bill, which might deal also with the appointment of civilian traffic wardens and possibly with a system of standard penalties for parking offences, payable without recourse to the courts. In the forthcoming debate the possibility of early legislation should not be excluded.

The Cabinet—

Authorised the Minister of Transport to say, in the debate in the House of Commons that day, that legislation on this subject might be undertaken in the current session of Parliament.

Disarmament.
Geneva
Conference
on Nuclear
Tests.
(Previous
Reference :
C.C. (59) 23rd
Conclusions,
Minute 2.)

4. *The Foreign Secretary* made a brief report to the Cabinet on the state of the negotiations at the Geneva conference on nuclear tests. Scientists of the three countries had been discussing the technical possibility of detecting tests conducted in large holes underground. The American scientists had not been persuaded that any practicable system of inspection would be effective for controlling underground tests. On the other hand, there were indications that on the political side the United States delegation were now more anxious to find a means of concluding an international agreement for the control of nuclear tests. On balance, there now seemed a better prospect of progress in these negotiations.

The Cabinet—

Took note of the Foreign Secretary's statement.

Law of the Sea.
(Previous
Reference:
C.C. (59) 61st
Conclusions,
Minute 7.)

5. *The Lord Chancellor* said that the Ministerial Committee on the Law of the Sea had considered whether an attempt should be made to reach a *modus vivendi* with Iceland in regard to fishing by British trawlers within twelve miles of her coast, pending the outcome of the 1960 Conference on the Law of the Sea. The Government of Iceland had suggested that talks should be held during the forthcoming Ministerial meeting of the North Atlantic Council in Paris, and had proposed as a basis for discussion that Her Majesty's Government should withdraw naval protection within twelve miles of the coast of Iceland; that British trawlers should cease fishing within that limit; that the Iceland Government would not arrest British trawlers for past violations of their fishery regulations within the twelve-mile limit; that British trawlers should be free to sail within the twelve-mile zone and use Iceland ports; and that both Governments should be uncommitted with regard to their position at the forthcoming Conference. The Ministerial Committee recommended that, while the matter could usefully be discussed informally during the forthcoming meeting of the North Atlantic Council, it would be inadvisable to make any agreement with the Government of Iceland involving the cessation of fishery rights within the twelve-mile zone, even on a temporary basis and without prejudice to our future position, since such an agreement would lead other countries to believe that we were prepared to accept a twelve-mile fishery limit generally.

The Cabinet—

- (1) Endorsed the recommendations of the Ministerial Committee on the Law of the Sea.
- (2) Invited the Foreign Secretary to be guided by these considerations in his forthcoming informal discussions in Paris with the Foreign Minister of Iceland.

Pensions.
(Previous
References :
C.C. (59) 56th
Conclusions,
Minute 4 and
C.C. (59) 30th
Conclusions,
Minute 3.)

6. The Cabinet had before them a memorandum by the Lord Chancellor (C. (59) 182) on an Opposition motion seeking leave under the Ten-Minute Rule to introduce a Bill to increase the rate of benefits under the National Insurance Acts.

The Lord Chancellor said that the Legislation Committee had considered how this motion should be handled. The alternatives were to arrange for Government supporters to vote against it or to acquiesce in the motion but block the Bill at a later stage.

In discussion it was suggested that public opinion was influenced mainly by Parliamentary proceedings which culminated in a vote, and that this suggested that it might be safe to allow the motion to

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be passed and to rely on blocking the Bill. On the other hand, it was important that there should be no public misapprehension about the significance of the Government's acquiescing in the motion. A substantial increase in the rate of retirement pension would have serious economic effects; and there was much to be said for bringing out the economic dangers of the proposal in the debate on the motion and defeating it.

Summing up the discussion, *the Prime Minister* said that the balance of opinion in the Cabinet was in favour of arranging for Government supporters to vote against the motion. It would be preferable that the Government's case should be presented by a reliable Private Member briefed by the Minister of Pensions, but if this could not be arranged it should be presented by a Government spokesman.

The Cabinet—

Invited the Minister of Pensions and the Chief Whip to arrange for Government supporters to vote against the motion seeking leave to introduce a Bill to increase National Insurance benefits.

Civil Aviation.
(Previous
References:

C.C. (59) 55th
Conclusions,
Minute 4 and
C.C. (58) 87th
Conclusions,
Minute 4.)

Scottish Avia-
tion Limited.

7. The Cabinet had before them a memorandum by the Minister of Aviation (C. (59) 181) on the affairs of Scottish Aviation Limited.

The Minister of Aviation said that the Defence Committee had decided that the needs of the Army for a light liaison aircraft could be better met by the Beaver, an aircraft built by de Havilland's in Canada, than by the development of the Pegasus by Scottish Aviation Limited. The choice of the Pegasus would not have increased significantly the chances of survival of Scottish Aviation Limited, for it would have endangered the continuance of their contract for the repair of Canadian military aircraft. The Canadian Government should, however, be pressed to agree that, in consideration of the decision to buy the Beaver aircraft, their repair contracts with Scottish Aviation should be continued for as long as possible. There was no possibility in sight that any other aircraft firm would be prepared to take over Scottish Aviation, but it might be possible to place an additional order for twin Pioneer aircraft for the Royal Air Force so as to give the firm some further time in which to explore the possibility of switching their labour and other resources to some other form of production.

Discussion showed that there was general support in the Cabinet for the view expressed by the Minister of Aviation. The Cabinet were also informed that there was a justifiable military requirement for a further order for four twin-engine Pioneers. There might, in addition, prove to be a military requirement for an additional purchase of Pioneers, and this possibility would be examined.

Summing up the discussion, *the Prime Minister* said that the Minister of Defence should seek an agreement with the Canadian Government under which an order for Beavers would be linked with a firm undertaking that the Canadian contract with Scottish Aviation for repair work would be continued. The Secretary of State for Air should seek Treasury approval for the purchase of four twin-engine Pioneers, with a view to announcing this order simultaneously with a final decision regarding the Beaver aircraft. Meanwhile, the Minister of Aviation should give further study to the future of the aircraft industry in Scotland, and should do everything possible to avoid the threatened closure of the Rolls Royce factory at East Kilbride.

The Cabinet—

- (1) Invited the Minister of Defence to seek an agreement with the Canadian Government under which an order for Beaver aircraft would be linked with a firm undertaking that the Canadian contract with Scottish Aviation for repair work would be continued.
- (2) Invited the Secretary of State for Air to seek Treasury approval for the purchase of four twin-engine Pioneer aircraft.
- (3) Invited the Minister of Defence, in consultation with the Minister of Aviation and the Secretary of State for Air, to co-ordinate the announcement of aircraft orders affecting Scottish Aviation.
- (4) Invited the Minister of Aviation to keep under review the position of the aircraft industry in Scotland, and to make a report in due course to the Distribution of Industry Committee.

Interception of Communications.

(Previous Reference: C.C. (59) 61st Conclusions, Minute 2.)

8. The Cabinet had before them a memorandum by the Home Secretary (C. (59) 183) on the interception of telephone conversations by the police.

The Home Secretary said that it was, in his view, essential to the efficiency of criminal investigation that the police should be free to listen to telephone conversations with the consent of one or other of the parties to the conversation. This was clearly distinguishable from interception without the knowledge of either party, for which the special authority of the Secretary of State would continue to be required. It was, however, at least doubtful whether material so obtained by the police in the course of criminal investigation ought to be disclosed before a professional disciplinary tribunal concerned with wholly different matters. He was satisfied that the Government should not seek to prevent this by claiming Crown privilege because the evidence now in question was, of its nature, not confidential and the consenting party to the telephone conversation could not be prevented by a claim of Crown privilege from giving similar evidence to the tribunal. He therefore proposed, after consultation with the Lord Chancellor and the Law Officers, that the powers of professional disciplinary tribunals to issue *subpoenas* should be limited in two ways: leave of a Judge or Master of the High Court might be made a pre-requisite to the *subpoena* and the person on whom it was served might be given the right to object to the Court on the ground that its issue was contrary to public policy. This proposal would have the advantage of taking the decision in these cases out of the hands of the Executive.

In discussion it was pointed out that the professional disciplinary tribunals had a socially important function which should not be impeded unduly. It should also be borne in mind that on some occasions police evidence obtained under *subpoena* might favour the defendant before the tribunal. If the Home Secretary's proposal were adopted, he might give general advice to the police to lodge an objection to the issue of a *subpoena* by a tribunal either in all cases or unless there were definite reason to the contrary. A possible alternative might be to exempt the police from *subpoena* by a tribunal, leaving it open to them to give evidence if they thought fit; but to confer this discretion on the police would be undesirable in itself and unlikely to be acceptable to public opinion.

In further discussion it was pointed out that the proposal before the Cabinet, while giving the police the right to object to a *subpoena* by a tribunal, would not give the same right to the defendant in whose interest it might be that police evidence obtained in another context should not be produced. To give this right to the defendant might

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be regarded as in the interests of justice and would make the proposal more widely acceptable. On the other hand, the Court would be considering only the admissibility of the police evidence and would hardly be in a position to take account of an objection lodged by the defendant. It would, moreover, be a far-reaching innovation in English law to give one party to an action the right to limit the right of the other party to produce whatever evidence it chose.

A further alternative, that the Courts might be instructed to refuse leave to the tribunal to issue a *subpoena* if the evidence in question had been obtained for a purpose other than that with which the tribunal was concerned, could not be accepted since it would preclude the production under *subpoena* of evidence favourable to the defendant.

Summing up the discussion, *the Prime Minister* said that the Cabinet appeared generally to favour the proposal in paragraph 4 of the Home Secretary's memorandum, but further consideration should be given to the possibility of giving the defendant before the tribunal the right to object to the issue of a *subpoena* in the circumstances contemplated.

The Cabinet—

Invited the Home Secretary, in consultation with the Lord Chancellor, the Chancellor of the Duchy of Lancaster, the Attorney-General and the Lord Advocate, to give further consideration in the light of their discussion to the proposal in paragraph 4 of C. (59) 183, and to bring the matter again before them at an early date.

Fuel Policy.
(Previous
Reference:

C.C. (59) 32nd
Conclusions,
Minute 7.)

9. The Cabinet had before them a memorandum by the Minister of Power (C. (59) 180) on fuel policy.

The Minister of Power said that the policy for fuel and power should continue to be based on competition and freedom of choice for the consumer; but the strict application of this policy had to be modified in certain respects to take account of social and strategic considerations. In the interests of our international trade in oil, and of the efficiency of industry generally, tax or other restrictions on oil consumption ought to be avoided. But this would inevitably mean a continuing contraction in the coal industry, with a reduction in the labour force and the closure of pits. The social disturbance of a rapid contraction of the coal industry had been avoided for the time being through the policy of stockpiling coal on a massive scale. But this, in turn, had financial and other disadvantages. The Economic Policy Committee had taken the view that it would be undesirable to increase coal stocks above their present level, and had suggested that he should examine the possibility of increasing demand by relating coal prices more closely to the costs of production in different areas and by reducing prices of coal for export. He would also consider the possibility of spreading the programme for building nuclear power stations over a longer period, but in the short term this would not have a large effect on demand for coal.

In discussion the following points were raised:—

(a) The financial advantage to the coal industry of restricting oil supplies in this country would be far outweighed by the damage to our interests in overseas oil markets. But the possibility of a tax on oil must, formally, be reserved for consideration by the Chancellor of the Exchequer.

(b) It was right, in the national interest, to refrain from protecting the coal industry from economic competition; at the same

time it was desirable to help the industry to become more efficient, for example, by assisting research into new uses of coal, and perhaps by encouraging the acceleration of electrification in rural areas.

(c) In view of the importance of sustaining the scientific and technical effort which was being devoted to the development of nuclear energy, the Atomic Energy Authority should be associated with the review of the programme for building nuclear power stations.

(d) Fluctuations in the demand for coal were a major factor affecting the reorganisation and modernisation of the railways, and the British Transport Commission needed realistic and up-to-date forecasts about the level and pattern of future demand.

(e) Although it was estimated that the demand for coal might be fractionally higher in 1965 than it was at present, the longer-term prospects were that coal would become an increasingly difficult and uneconomic source of power. Constant attention would have to be paid to the problems of redundancy in the areas most severely affected by the continuing contraction of the industry.

The Cabinet—

Approved the policy for fuel set out in C. (59) 180, subject to the points raised in their discussion.

Commercial
Policy.
(Previous
References:
C.C. (59) 59th
Conclusions and
C.C. (59) 46th
Conclusions,
Minute 1.)
Horticulture.

10. *The Minister of Agriculture* said that the Government had undertaken to give to horticulture a measure of support comparable with that given to agriculture generally, and to continue to use the tariff as the main instrument of horticultural protection. Several tariff applications, including one for the tomato industry, were at present under consideration. The horticulture industry had been disappointed in the past with the findings of the Tariff Advisory Committee and, notwithstanding the Government's undertaking, it was doubtful whether the tariff was in many cases the appropriate form of protection. Some alternative method, such as minimum price schemes on the lines at present being considered for apples and pears, might be preferable.

It would be best if some increase in tariff protection could be given to the tomato industry, as this would go some way to fulfil the Government's undertaking. It was likely that the industry would then still express dissatisfaction with the degree of protection, and this would provide an opportunity to suggest that some alternative method of support should be examined. With a view to following this course of action, he therefore proposed that officials of the Departments concerned should now work out a minimum price scheme for tomatoes.

Discussion showed that the Cabinet were in general agreement with this proposal.

The Cabinet—

Invited the Minister of Agriculture, in consultation with the Chancellor of the Exchequer and the President of the Board of Trade, to arrange for officials of the Departments concerned to examine the possibility of a minimum price scheme for tomatoes.

*Cabinet Office, S.W. 1,
10th December, 1959.*

E.R.

