CONCLUSIONS of a Meeting of the Cabinet held at Admiralty House, S.W.1, on Thursday, 22nd September, 1960, at 11:30 a.m.

Present:
The Right Hon. Harold Macmillan, M.P., Prime Minister
The Right Hon. R. A. Butler, M.P., Secretary of State for the Home Department
The Right Hon. Selwyn Lloyd, Q.C., M.P., Chancellor of the Exchequer
The Right Hon. John Maclay, M.P., Secretary of State for Scotland
The Right Hon. Henry Brooke, M.P., Minister of Housing and Local Government and Minister for Welsh Affairs
The Right Hon. Lord Mills, Paymaster-General
The Right Hon. John Hare, M.P., Minister of Labour
The Right Hon. Ernest Marples, M.P., Minister of Transport
The Right Hon. Viscount Kilmsor, Lord Chancellor
The Right Hon. Viscount Hailsham, Q.C., Lord President of the Council and Minister for Science
The Right Hon. Harold Watkinson, M.P., Minister of Defence
The Right Hon. Sir David Eccles, M.P., Minister of Education
The Right Hon. Reginald Maudling, M.P., President of the Board of Trade
The Right Hon. Edward Heath, M.P., Lord Privy Seal
The Right Hon. Christopher Soames, M.P., Minister of Agriculture, Fisheries and Food

The following were also present:
The Right Hon. C. J. M. Alport, M.P., Minister of State, Commonwealth Relations Office (Item 1)
The Right Hon. Martin Redmayne, M.P., Parliamentary Secretary, Treasury

Secretariat:
Mr. F. A. Bishop
Mr. M. Reed
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1. The Prime Minister said that he had now been advised by the Foreign Secretary, who had had discussions with President Eisenhower in Washington and with representatives of a number of Commonwealth and other countries in New York, that there were strong arguments why he (the Prime Minister) should attend the General Assembly of the United Nations at some stage. This view had also been specifically expressed by President Eisenhower in a written message which had just been received. The Foreign Secretary had suggested that he (the Prime Minister) should arrive in New York on the evening of Monday, 26th September, and that an announcement to this effect should be made before the Soviet Union leader, Mr. Khrushchev, had spoken in the Assembly, which he was to do on the following day.

The Prime Minister said that it would in fact be preferable for him to arrive in New York on the evening of Sunday, 25th September, since that would allow more time for any discussions that might be necessary before he met President Eisenhower, as it had now been provisionally arranged that he should do on Tuesday, 27th September. It was likely that he would make the main United Kingdom speech in the General Assembly on about the following Thursday.

It would be possible for him, in the course of his journey to New York, to have a short discussion in Iceland with the Icelandic Prime Minister if this would be of help in the fisheries discussions between the two countries which were due to begin on 1st October.

In discussion it was pointed out that the Prime Minister's visit to the General Assembly might be regarded as a success for the tactics followed by the Soviet Union leader. However, it was on balance the general view of the Cabinet that, in the interests of ensuring that the case for the West was fully presented at the Assembly, and that the new and uncommitted members of the United Nations did not succumb to the influence of the representatives of the Communist countries, the Prime Minister should attend the meeting in New York. In order to avoid having to justify this decision by reference to the speech which Mr. Khrushchev was to make, an announcement should be made at 9 p.m. that evening.

In further discussion the Minister of Agriculture said that it would be most helpful from the point of view of the coming discussions with Iceland if the Prime Minister were to break his journey to meet the Icelandic Prime Minister who, it was understood, would welcome such a proposal.

The Cabinet—
Agreed that the Prime Minister should attend the General Assembly of the United Nations, and that a decision to this effect should be announced that evening.

2. The Minister of Housing said that the Rent Act, 1957, had enabled landlords to make limited increases in rents, provided that they entered into three-year agreements with their tenants. These agreements were now expiring and rents at current market levels—three or four times the gross value of the properties—were being demanded. This was giving rise to considerable anxiety in the London area, although in the provinces little difficulty seemed to be occurring. In a limited number of cases in London, mostly where speculators had recently bought the properties concerned, extortionate rents were being demanded. He had advised local authorities, some weeks previously, that in such cases he would be prepared to consider compulsory purchase of the properties. There was evidence that this circular had had a salutary effect, but
it must be recognised that throughout the London area there would, during the coming months, be very substantial increases in the level of private rents. The majority of tenants could afford to pay economic rents but some of those living on fixed incomes might find themselves unable to afford to continue to live in London. The Government would be subjected to strong political pressures, but they could, in the Minister's opinion, defend the present position. To re-introduce any form of rent control for houses which had been de-controlled would be contrary to their general policy and to their long-term aim of offering inducements to private enterprise to build houses and flats to let.

There was, however, evidence that an increasing number of tenants were finding themselves obliged to enter into short-term agreements under which they had to undertake full responsibility for repairs and maintenance of the property which they occupied. This practice on the part of landlords could not be justified, and consideration should be given to the possibility of introducing legislation amending the Landlord and Tenants Acts in such a way as to prevent it. The early introduction of a Bill for this purpose would be a constructive act on the part of the Government which would not derogate from their policy on rent control.

The Cabinet—
(1) Took note of this statement by the Minister of Housing.
(2) Invited the Lord Chancellor, in consultation with the Minister of Housing, to consider the desirability of legislation to prevent landlords from imposing on short-term tenants full responsibility for repairs and maintenance of their property.

3. The Chancellor of the Exchequer said that, at the meeting of the Commonwealth Economic Consultative Council which had concluded on the previous day, there had been a useful discussion about the problem of the relations between the European Free Trade Association and the European Economic Community. With the exception of New Zealand, who feared that any form of association between the Association and the Community would do serious damage to her own economy, the Commonwealth Finance Ministers had shown themselves to be more sympathetic than had been expected to the United Kingdom's difficulties.

The Cabinet—
Took note of this statement by the Chancellor of the Exchequer.

Cabinet Office, S.W.1,
22nd September, 1960.