CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W.1,
on Thursday, 18th June, 1964, at 10.30 a.m.

Present:
The Right Hon. Sir ALEC DOUGLAS-HOME, M.P., Prime Minister
The Right Hon. R. A. BUTLER, M.P., Secretary of State for Foreign Affairs
The Right Hon. LORD DILHORNE, Lord Chancellor
The Right Hon. EDWARD HEATH, M.P., Secretary of State for Industry, Trade and Regional Development and President of the Board of Trade
The Right Hon. SELWYN LLOYD, Q.C., M.P., Lord Privy Seal
The Right Hon. CHRISTOPHER SOAMES, M.P., Minister of Agriculture, Fisheries and Food
The Right Hon. JOHN BOYD-CARPENTER, M.P., Chief Secretary to the Treasury and Paymaster General
The Right Hon. Sir EDWARD BOYLE, M.P., Minister of State for Education
The Right Hon. KEITH JOSEPH, M.P., Minister of Housing and Local Government and Minister for Welsh Affairs (Items 1–9)
The Right Hon. FREDERICK ERROLL, M.P., Lord Privy Seal
The Right Hon. WILLIAM DEEDES, M.P., Minister without Portfolio

The following were also present:
The Right Hon. RICHARD WOOD, M.P., Minister of Pensions and National Insurance (Item 7)
The Right Hon. Sir JOHN HOBSOON, Q.C., M.P., Attorney-General (Items 8–9)

His Grace the DUKE OF DEVONSHIRE, Minister of State for Commonwealth Relations and for the Colonies (Items 1–4)
Mr. NORMAN R. WYLIE, Q.C., Solicitor-General for Scotland (Items 8–9)

The Right Hon. MARTIN REDMAYNE, M.P., Parliamentary Secretary, Treasury

Secretariat:
Sir BURKE TREND
Mr. P. ROGERS
Miss J. J. NUNN
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1. The Cabinet were informed of the business to be taken in the House of Commons in the following week.

2. The Lord Privy Seal informed the Cabinet that the Home Affairs Committee had recently considered the report of the Speaker's committee on Accommodation for the House of Commons. As a result they had recommended that the Government should seek to reach agreement with the Opposition on the terms of a Motion whereby the House of Commons would endorse in principle the proposal to enlarge the existing accommodation; but they had suggested that the issues of the site and architectural style of the new building should be deferred for subsequent consideration in the light of the findings of an enquiry which was currently being conducted by Sir Leslie Martin into the redevelopment of the Whitehall area in general.

In discussion there was general agreement with these proposals. Since the House of Lords would not be likely to benefit from the increase in accommodation which was envisaged, it would be preferable that any public reference to the Government's intentions should be expressed in terms of an increase of accommodation for the House of Commons rather than for Parliament as a whole.

3. The Minister without Portfolio (Lord Carrington) said that a recent debate in the House of Lords on the compensation provision which had been made, on the dissolution of the Federation of Rhodesia and Nyasaland, for former members of the Federal Public Service had disclosed that a considerable body of opinion was highly critical of the arrangements which had been made in this context. Lord Salisbury now intended to table a Motion as the basis for a further debate; and it seemed probable that, if the Government contested it, they would be defeated. In these circumstances it was for consideration whether they should offer to reconsider the arrangements.

In discussion it was suggested that, since the original settlement had been reached only with great difficulty, it would be inadvisable on merits, and possibly damaging as a precedent, to offer to reopen it. On the other hand the provision which we normally made for expatriate public servants at the end of a colonial administration was appreciably more generous than that which had been accorded to the members of the public service of the Federation of Rhodesia and Nyasaland; and, inasmuch as the arrangements had been influenced by the amount of financial assistance which we had been prepared to provide for the purpose, it could be argued that we were under some degree of moral obligation to reconsider the question.

The Cabinet—

Invited the Lord Chancellor, in consultation with the Chief Secretary, Treasury, the Minister of State for Commonwealth Relations and the Secretary for Technical Co-operation to consider, as a matter of urgency:

(a) By what means the Government could secure, in the forthcoming debate in the House of Lords on the compensation paid to members of the public service of the former Federation of Rhodesia and Nyasaland, the most favourable presentation of the attitude which the Government had hitherto adopted in this matter.

(b) Whether, in addition, the Government should be prepared to take some initiative in order to promote an improvement of the settlement in this respect.
4. The Foreign Secretary informed the Cabinet that a vote would be taken that day in the Security Council of the United Nations on a resolution about apartheid in the Republic of South Africa. This resolution, which had been promoted by the Norwegian delegation after intensive diplomatic negotiations, was less embarrassing than we had feared at an earlier date. In particular it avoided any reference to economic sanctions as such and confined itself to proposing the establishment of an expert committee to study the feasibility and implications of measures which could be taken by the Security Council under the Charter of the United Nations. In addition it reaffirmed the Council's exhortation to all member States to cease forthwith the sale and shipment to South Africa of arms, ammunition, military vehicles and equipment and materials for the manufacture and maintenance of arms and ammunition in the Republic. If we abstained from voting on this resolution, we should be liable to find ourselves virtually alone. There was therefore a strong case for voting in its favour, provided that, in doing so, we made it clear that, while we accepted the consequential obligation to take part in the work of the proposed expert committee, our participation would imply no commitment on our part to support the application of coercive measures to South Africa at any time in the future and would be directed to eliciting the dangers and disadvantages of adopting a policy of economic sanctions. As regards the reference to the export of arms the United Kingdom Permanent Representative would be instructed to make it clear that our policy on this subject would remain unchanged.

In discussion there was general agreement that the balance of advantage inclined in favour of participating in the work of the proposed expert committee, if only in order to ensure that we should maintain some degree of control over any enquiry into the feasibility of economic sanctions.

The Cabinet—

(1) Invited the Foreign Secretary to instruct the United Kingdom Permanent Representative at the United Nations to vote in favour of the resolution on apartheid, to be debated in the Security Council that day, on the understanding that our vote would be accompanied by a public explanation of our policy in this matter, as indicated by the Foreign Secretary during their discussion.

The Foreign Secretary said that our efforts to promote an international conference on Laos on the basis of the proposals put forward by the Polish Government had suffered a further setback in that the Polish Government had now withdrawn their proposals in favour of others which we had not yet received. Provided that the new proposals would constitute an adequate basis for an international conference and were not unsatisfactory in other respects, it would still be to our advantage to endorse them.

The Cabinet—

(2) Took note, with approval, of this statement by the Foreign Secretary.

5. The Secretary of State for Industry informed the Cabinet that the United Nations Conference on Trade and Development (UNCTAD) had concluded its deliberations. The outcome was not unsatisfactory from our point of view, especially in so far as the "chapeau" formula (which governed the resolutions relating to commodity arrangements and access to markets for primary products) had been adopted in a form which we could accept and the Final Act of the conference had contained no provisions purporting to be of a mandatory nature. Moreover, the reservations which we had been
compelled to make in relation to various items during the proceedings of the conference were fully on record. Further consideration would have to be given, however, to the arrangements to be made (particularly as regards voting procedures) in connection with the new institution which would now be established to carry forward the work of the conference.

The Cabinet—

(1) Took note, with approval, of the statement by the Secretary of State for Industry and congratulated him on the manner in which he had defended the interests of the United Kingdom during the proceedings of the United Nations Conference on Trade and Development.

(2) Invited the Secretary of State for Industry to submit in due course proposals about the policy which we should adopt as regards the arrangements to be made in relation to the new institution which was to develop the work of the conference on a continuing basis.

6. The Chancellor of the Exchequer informed the Cabinet that, although the initiative which we had taken in 1962 in order to promote a more liberal and flexible supply of international credit had been received with relatively little enthusiasm at the time, it had subsequently attracted increased support; and the United States in particular now agreed with us that it would be desirable to take some practical measures for this purpose. No rapid progress could be expected, especially since the countries of the European Economic Community were opposed to any action which might aggravate the inflationary tendencies from which some of them were already suffering. Nevertheless, there were grounds for hoping that agreement might be reached in the relatively near future on a modest expansion of the resources of the International Monetary Fund, which would contribute to our long-term objective of increasing international liquidity.

The Cabinet—

Took note, with approval, of this statement by the Chancellor of the Exchequer.

7. The Cabinet considered a memorandum by the Chancellor of the Exchequer, as Chairman of the Committee on Pensions and National Insurance (C.P. (64) 118), together with a joint memorandum by the Chancellor of the Exchequer and the Chief Secretary, Treasury (C.P. (64) 121), on earnings-related short-term benefits.

The Chancellor of the Exchequer said that the Committee on Pensions and National Insurance had considered whether the principle of relating benefits to earnings should be extended to the short-term benefits of the national insurance scheme and, if so, whether proposals for this purpose should be published in a White Paper on the lines of the draft annexed to C.P. (64) 118. The proposals summarised in that draft envisaged that basic unemployment and sickness benefit would be increased by a graduated supplement amounting to three-eighths of earnings between £9 and £18. The supplement would be paid for six months; but for technical reasons it could not be paid for the first week of unemployment or the first four weeks of sickness. The scheme, which would cost £50 million, would be financed by an increase in the contribution which employers and employees already
paid on earnings in this range. A similar supplement, related to the husband’s earnings, would be added to widows’ allowances. The majority of the Committee had favoured the publication of these proposals; but both he himself and the Chief Secretary, Treasury, had felt compelled to dissent.

The Minister of Labour said that these proposals had to be considered against the background of discussions, extending over some 18 months, during which the National Economic Development Council (N.E.D.C.) had drawn attention to the advantages of earnings-related unemployment benefit and both the British Employers’ Confederation (B.E.C.) and the Trades Union Congress (T.U.C.) had indicated that they supported the concept in principle. The T.U.C. had advocated, in addition, that earnings-related benefit should be extended to sickness. These discussions had led the public to expect Government action; and it would be difficult in the present climate of opinion to avoid any expression of the Government’s intentions. There was a growing tendency to regard the concept of flat-rate minimum benefits as outmoded and to consider hardship not in absolute terms but in terms of the disparity between relatively high earnings (and the standard of living which they made possible) and the relatively low level of benefit. There were powerful economic arguments for relating unemployment benefit to earnings. To do so would reinforce other measures to encourage the mobility of labour; it would reduce the reluctance of workers and employers to abandon both restrictive practices and over-manning; and it would act automatically as an anti-cyclical measure, sustaining purchasing power in areas of high unemployment. These arguments did not apply to sickness benefit; but in relation both to sickness and to widowhood the need to provide protection against a sudden and sharp reduction in income was as compelling as in relation to unemployment.

The majority of the Committee on Pensions and National Insurance considered that, if it were decided to adopt the principle of earnings-related short-term benefits, it would be wise to publish a White Paper before the Recess as a means of indicating that the essential features of the proposals had been formulated with care, while making it sufficiently clear, as a counter to pressure for premature legislation, that important details remained to be discussed with the interested parties.

The Chief Secretary, Treasury, said that those who were most concerned with social problems, both among the Government’s supporters and elsewhere, now believed that resources should be concentrated on the areas of greatest need; and they would consider it a retrograde step to devote an additional £50 million a year to protecting the more highly-paid workers against the effects of short-term unemployment. A temporary reduction in income, which was already mitigated by redundancy payments and rebates of income tax, involved considerably less hardship than was suffered by the old and the chronic sick; and it was arguable that those in receipt of short-term sickness benefit would be helped more by payments which increased at the end of seven months than by an arrangement which reduced them to the basic level at that point. The economic arguments in favour of the scheme were equally unconvincing. Men would hardly be brought to accept redundancy willingly because their loss of income, though substantial, was rather less than it would otherwise have been; and to the extent that the scheme encouraged employers to reduce over-manning it would discourage displaced workers from seeking early re-employment. Moreover, the scheme would give the largest proportional benefit to single men, the most mobile section of the labour force.

In addition the proposals would entail formidable practical problems, which had not been resolved. The radical changes which would be necessary in the system of graduated contributions might discourage the provision of private occupational pension schemes.

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and might precipitate demands for early increases in the flat-rate benefits; it would be difficult to justify the disparity in treatment between those on unemployment and those on sickness benefit and between both these categories and the self-employed; and the administrative costs would be unduly high. Finally, there appeared to be no strong demand for a scheme of this kind; and to publish the proposals in a White Paper would be liable to expose the Government to damaging attack without countervailing advantages sufficient to justify the imposition of a further burden on the economy. This consideration was the more relevant in that it was clear that expenditure on benefits and assistance could not be contained within the limits forecast in the Government's recent White Paper on Public Expenditure unless the next general increase in benefits were deferred until 1966; and this would become impossible if the Government were committed to specific improvements in benefits and contributions at this stage.

In discussion it was suggested that, while both the B.E.C. and the T.U.C. would prefer graduated benefit to be higher, both organisations considered that, together with other measures, it would make a substantial contribution to reducing the effect of a sudden loss of income and so to facilitating the consideration of problems of redundancy and over-manning and the adjustment of displaced workers to what might be permanently lower wage levels in new fields of employment. In view of the interest which had been generated on both sides of industry it would be difficult to explain, if the Government now held back, why the discussions had been allowed to proceed so far. Moreover, the capacity of the economy to sustain higher benefits would depend on increasing expansion; and it could therefore be argued to be desirable on economic grounds to give priority to measures which would be likely to encourage growth and modernisation. The cost of wage-related unemployment benefit would fall mainly on the employer and the employee and only indirectly on the Exchequer in the form of a reduction in the taxable capacity of the individuals affected; and the additional burden on industrial costs would be small in relation to the wages element and might be expected to be offset by the increased prosperity resulting from the more economic use of labour.

On the other hand a considerable section of public opinion might feel that the more highly-paid workers could be expected to draw on savings to tide them over short periods of unemployment and that the greater social need was for an increase in basic rates and particularly for preferential increases for the very old and the chronic sick. Moreover, it would be difficult to give higher benefits to the better-off without increasing benefits for other classes; and there might accordingly be advantage in presenting earnings-related unemployment and sickness benefit as part of a comprehensive series of measures, including the introduction of preferential benefits for the very old and the chronic sick.

In further discussion it was agreed that it would be desirable to avoid committing the Government at this stage to the details of a particular scheme, since this would enable their political opponents, while purporting to offer more attractive proposals, to level damaging criticism at particular features of the Government's scheme. It might therefore be preferable to publish a more tentative White Paper, discussing the problem and outlining the proposals in the Annex to C.P. (64) 118 in general terms as one possible way of dealing with it. Alternatively, some indication of the Government's intentions might be given in a public speech, preferably by the Prime Minister, shortly before the summer Recess.

The Prime Minister, summing up the discussion, said that the majority of the Cabinet favoured the principle of wage-related
benefits, provided that a scheme for this purpose was combined with preferential benefits for the very old and the chronic sick. But it would be necessary to give further consideration to the relative priority to be accorded to these various elements in a composite scheme and to the form and timing of the most appropriate announcement of the Government’s intentions. Meanwhile, Government spokesmen should avoid making any statement which might be interpreted as committing the Government to the principle of wage-related benefits.

The Cabinet—

(1) Agreed in principle that a scheme of wage-related unemployment and sickness benefits and widows’ allowances should be introduced, in conjunction with preferential benefits for the very old and the chronic sick.

(2) Invited the Chancellor of the Exchequer to arrange for the Committee on Pensions and National Insurance to give further consideration to the issues involved on the lines indicated by the Prime Minister in his summing-up of their discussion.

8. The Cabinet considered a memorandum by the Minister of Labour (C.P. (64) 119) about trade unions and the law, to which was annexed a supplementary report of the Official Committee on this subject, together with an Opinion of the Law Officers on the case of Rookes v. Barnard, in which the House of Lords had ruled that employees threatening to strike in breach of contract, together with trade union officials acting in concert with them, were liable for damages at the suit of persons who were injured in consequence of the threat.

The Minister of Labour said that the Trades Union Congress (T.U.C.) had recently represented to him that this judgment would be liable to have a very damaging effect on industrial relations and had asked that the Government should introduce legislation immediately in order to restore to trade unions the degree of protection in this respect which they had hitherto assumed that they enjoyed under the Trade Disputes Act, 1906. He had replied that, while he accepted that the present state of the law was not satisfactory, he was by no means certain about the extent of the change required and that it would not in any event be possible to legislate on the issues involved during the remainder of the current Session. In addition he had reminded the T.U.C. that the Government had deliberately proposed that the projected enquiry into the state of the law relating to trade unions should be deferred until after the forthcoming General Election in order that it might begin its work in an atmosphere free from political controversy. The T.U.C., however, had contested these arguments and had reiterated their request for early legislation. In these circumstances he proposed that the T.U.C. be informed that the Government accepted the need for a review of the law relating to the issues which had been raised by the case of Rookes v. Barnard but considered that this review could most appropriately be undertaken in the context of the proposed enquiry into the state of the law in relation to trade unions in general. If, therefore, the T.U.C. felt that this latter enquiry should be started forthwith and should be invited to give early and sympathetic consideration to an amendment of the law on the issues raised by the case of Rookes v. Barnard, the Government would be willing to discuss the scope and form of the enquiry, both with the T.U.C. and with the British Employers’ Confederation, without delay.
In discussion the following main points were made:

(a) If it were decided to reply to the T.U.C. on these lines, it would be preferable to refrain from using the terms “review” and “sympathetic consideration” in relation to any amendment of the law as a result of the case of Rookes v. Barnard in order to avoid any implication that the Government were committed to more than an impartial examination of the issues involved.

(b) The proposed enquiry would necessarily be lengthy; and the preparation of the evidence alone would take several months. There would therefore be advantage in starting it as soon as possible. On the other hand, it would not be wholly effective unless it obtained the full co-operation of the T.U.C.; and it would therefore be unwise to press them to agree, against their will, that it should be initiated forthwith.

The Prime Minister, summing up the discussion, said that the Minister of Labour should inform the T.U.C. that, while the Government had originally proposed that the enquiry into the law relating to trade unions in general should not be started until after the General Election, they were ready to initiate it now if the T.U.C. so desired. If, however, they did not desire it at this stage, the Government would think it right to maintain their previous decision and would not be prepared to anticipate the general enquiry by initiating action solely in relation to the implications of the case of Rookes v. Barnard. In replying to the T.U.C. the Minister should avoid implying that the Government had reached any conclusion on the desirability of an eventual amendment of the law in this respect.

The Cabinet—

Invited the Minister of Labour, in replying to the representatives of the Trades Union Congress about the implications of the recent judgment by the House of Lords in the case of Rookes v. Barnard, to be guided by the Prime Minister’s summing-up of their discussion.

9. The Cabinet considered a memorandum by the Chancellor of the Exchequer (C.P. (64) 116), reporting a recommendation by the Economic Policy Committee that retrospective legislation should be introduced in the following Session in order to protect the Crown against certain types of compensation claims.

The Chancellor of the Exchequer said that the claims which had given rise to the immediate problem related to properties destroyed by United Kingdom authorities in Burma in 1942 in order to deny them to the invading Japanese forces. In 1948 the Government of the day had paid certain of the claimants (including the claimants now in question) a sum of £10 million on an ex gratia basis. In 1961, however, after finally failing to establish claims which they had promoted in the Burmese courts, certain companies had instituted actions against the Government in the Scottish courts. On the authority of the Cabinet they were then formally warned that the Government were satisfied that the claim should not be met by the British taxpayer and that, in the unlikely event of their action succeeding in the courts, legislation would be introduced to indemnify the Crown against it. Despite this warning, four of the companies, subsidiaries of the Burmah Oil Company, had pursued their actions; and the proceedings had recently reached the House of Lords on a preliminary point of law affecting the admissibility of the actions in common law in the light of the fact that they had been instituted in Scotland and were therefore governed by Scottish law. The House of Lords had found that the claims were admissible in law and that, provided that the facts on which they were based could be proved, the
claimants would be entitled to damages. These four actions, together with eight similar actions which were at present stayed, involved claims amounting to over £100 million; and, although other unsatisfied claims arising from similar circumstances in Burma would now be time-barred, the judgment of the House of Lords might have widespread repercussions in relation to other claims which were not yet similarly excluded. Moreover, although that judgment was strictly limited to Scottish law, the House of Lords had declared (obiter) that English law was the same. It now appeared, therefore, that certain acts done by or on the authority of the Crown in the defense of the realm, although lawful at common law, might nevertheless give persons affected a right to compensation which was in principle indistinguishable from the right to damages in respect of unlawful acts. This concept was wholly novel in English law; and it was impossible to foresee what claims against the Crown might arise as a result. The Economic Policy Committee had therefore concluded that it would be desirable and prudent to enact legislation now, dealing both with the Burma claims and with the possible wider implications in respect of actions for compensation against the Crown, rather than to await the course of events and perhaps to face the need for retrospective legislation on some future occasion in order to avoid an intolerable claim.

In discussion the following main points were made:

(a) The judgment of the House of Lords had been given by only a narrow majority of 3—2; and some legal opinion saw greater merit in the minority judgment.

(b) On occasion Parliament had enacted legislation to provide compensation for war damage; but this did not in any sense imply that the Government could accept a position in which any act of State might create a right to damages at law, a position for which there was no precedent in English law as interpreted hitherto.

(c) There were serious objections in principle to retrospective legislation; and it might therefore be expedient to defer for a time any announcement that the Government intended to introduce a measure of this kind. On the other hand the longer the announcement was delayed the more difficult would it become to deal with the litigation which was currently in progress and the more invidious would be the Government's position when the full measure of the proposed retrospection became finally apparent.

(d) On the other hand the uncertainty of the legal position might offer scope for interlocutory proceedings by the Government which would constitute proper and reasonable grounds for postponing an announcement of their intentions.

(e) Even if this announcement were postponed, however, the drafting of the necessary legislation should be put in hand as rapidly as possible.

The Cabinet—

(1) Authorised the Solicitor-General for Scotland to inform the companies claiming war damages in respect of their assets in Burma that he had nothing to add to the statement, made in 1961, that the Government would, if necessary, introduce legislation to indemnify the Crown against these claims.

(2) Invited the Attorney-General to consider, in consultation with the Ministers concerned, whether the Government should institute interlocutory proceedings in connection with the claims.

(3) Invited the Chancellor of the Exchequer to arrange for the preparation of legislation to indemnify the Crown, with retrospective effect, against claims for damages in respect of acts lawful at common law.
Retail Prices

10. The Cabinet had before them a memorandum by the Chancellor of the Exchequer (C.P. (64) 117) about recent developments in retail prices and their likely movement over the next few months.

The Chancellor of the Exchequer said that the retail-price index had remained fairly constant for most of 1963 but had begun to rise in the fourth quarter of the year and had risen continuously since then. The mid-May index was estimated to be a little over 3 per cent higher than in both October and May 1963. Part of the increase since November was the result of the seasonal movement of food prices; but the Budget increases in the taxes on alcohol and tobacco had contributed to the rise and there had also been a continuing underlying upward movement in the prices of goods and services, together with some recent signs of a slight acceleration in the rising prices of manufactured goods.

In the ensuing months seasonal factors should cause the food component of the index to fall; but this might be broadly offset by an increase in the remaining components. The housing component should rise only moderately over the next few months; but London fares were expected to rise substantially. The trend of labour costs remained upwards; and the prices of imported materials had also risen over the last year or more, although there were some signs that they had levelled off in the last three or four months. Some part of the increase up to the first quarter had already been reflected in retail prices; but these might continue to rise for some time. It seemed unlikely, however, that any rise in the index between May and October would be as much as a percentage point.

The Cabinet—
Took note of C.P. (64) 117.

11. The Cabinet had before them memoranda by the Minister of Public Building and Works and the Secretary of State for Defence (C.P. (64) 114 and 113 respectively) about changes in the accommodation of Departmental staffs consequential on the decision to rebuild the Foreign Office.

The Minister of Public Building and Works said that, as a result of the Cabinet’s decision that the present Foreign Office building should be reconstructed, it would be necessary in due course to provide temporary alternative accommodation for the Departments occupying that building. The Home Office staff would be rehoused in new offices on the other side of Whitehall, which should become available by 1969-70. Accommodation for the staffs of the Foreign Office and the Commonwealth Relations Office, however, would have to be found elsewhere; and he therefore proposed that, as from the end of 1970, they should be accommodated in the Admiralty building until the redevelopment of the Foreign Office site had been completed. The problem of rehousing the Ministry of Defence staff at present in the Admiralty could not be settled until the current study of the scope for dispersing staff of the Ministries of Defence and Aviation from central London had been completed.

The Secretary of State for Defence said that it was undesirable to seek to decide, at least six years before the event, that the Admiralty building should be made available for the displaced Foreign Office staff, especially since more than half of the staff of the new Ministry of Defence were already accommodated outside London and any suggestion at the present juncture that a further measure of dispersal might have to be contemplated would be liable to aggravate the problem, already sufficiently complex, of reorganising the central nucleus of the Department, which must remain in Whitehall.
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The Secretary of State for Defence said that it was undesirable to seek to decide, at least six years before the event, that the Admiralty building should be made available for the displaced Foreign Office staff, especially since more than half of the staff of the new Ministry of Defence were already accommodated outside London and any suggestion at the present juncture that a further measure of dispersal might have to be contemplated would be liable to aggravate the problem, already sufficiently complex, of reorganising the central nucleus of the Department, which must remain in Whitehall.
SECRET

In discussion there was general agreement that, when the reconstruction of the Foreign Office building began, appropriate alternative accommodation would have to be provided for the Foreign Office and the Commonwealth Relations Office in the Whitehall area. At present there seemed no alternative to arranging for the Admiralty building to be made available for this purpose in due course. But circumstances could change significantly in the interval before 1970. It followed that no public announcement of the Government's intentions in this respect should be made; and it should be clearly understood that the decision should be interpreted as no more than a basis on which forward planning could proceed.

The Cabinet—

Agreed that the forward planning of changes in the accommodation of Departmental staffs consequential on the reconstruction of the Foreign Office building should proceed on the basis that, from the end of 1970 onwards, the Admiralty building should be made available as temporary alternative accommodation for the staff of the Foreign Office and the Commonwealth Relations Office; but that no public announcement of this decision should be made.

Cabinet Office, S.W.1,
18th June, 1964.